



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 2, 2003*

APPROVAL OF CONSULTANT AGREEMENT TO PROVIDE DESIGN FOR THE 2002-03 PAVEMENT RESURFACING PROJECT

RECOMMENDED ACTION(S):

1. Approve a Consultant Agreement with Harris and Associates to provide design services for the FY 02-03 Pavement Resurfacing Project.
2. Authorize the City Manager to execute the agreement subject to review and approval by the City Attorney.

EXECUTIVE SUMMARY:

The current CIP allocates \$1,467,000 for the FY 2002-03 Pavement Resurfacing Program, however the State has suspended its AB 2928 funds, therefore our total expenditure is \$1,350,000. Phase I of this year's program was completed in the Fall of 2002 involving slurry seal maintenance treatments. Phase II of this program involves asphalt overlays, failure removals, and crack sealing for Monterey south of Dunne and other streets of highest priority considering condition and traffic volumes (see attached map). Construction for Phase II will occur in June-August of 2003. The FY 2002-03 Program Budget is as follows:

• Phase I Slurry Work- Completed	\$ 200,000
• Phase II Overlay Work-Estimated	800,000
• Administration, Design and Inspection	100,000
• Construction and Design Contingency	<u>250,000</u>
	\$1,350,000

The last two fiscal year's pavement resurfacing programs have been substantial due to the use of RDA funding supplementing AB 2928 funding. However, this year's program will be the last year that substantial RDA funding will be available. For the next 4 years our program for resurfacing will be limited to RDA funding of \$350,000 each year since the State has suspended AB 2928 funding. Our current Pavement Management Program identifies maintenance needs equating to an expenditure of \$2.7 million per year for the next 5 years to bring our pavement's condition to an optimal level and decrease deferred maintenance substantially. At the present level of funding identified in the CIP, our pavement condition will decline and the amount of deferred maintenance will grow from \$3.9 million currently to over \$11 million in 2007.

Harris and Associates have provided a proposal (attached) to perform design services for the 02/03 Phase II project. Staff is pleased with Harris' work on recent pavement resurfacing projects including the Downtown Monterey Resurfacing Project completed in the summer of 2002. Staff recommends approval of this contract.

FISCAL IMPACT: The cost for these design services is \$30,900 and will be funded from FY 02/03 Pavement Resurfacing Project. (CIP Project No. 519096)

Agenda Item # 1

Prepared By:

Dep Dir PW/Ops

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 2, 2003

APPROVE FINAL MAP FOR MORGAN LANE PHASE II (TRACT 9474)

RECOMMENDED ACTION(S):

Authorize the recordation of the map following recordation of the Development Improvement Agreement

EXECUTIVE SUMMARY: Tract 9474 is a 8 lot subdivision located on the north side of East Central Avenue between Grand Prix Way and Serene Drive (see attached diagram). The developer has completed all the conditions specified by the Planning Commission in the approval of the Tentative Map on November 26, 2002.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provision with a Title Company for the recordation of the Final Map.

FISCAL IMPACT: Development review for this project is from development processing fees.

Agenda Item # 2

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 2, 2003

AWARD OF CONTRACT FOR CONSTRUCTION OF BUTTERFIELD BOULEVARD – PHASE IV IMPROVEMENTS PROJECT

RECOMMENDED ACTION(S):

Award contract to Granite Rock Company dba Pavex Construction Division for the construction of Butterfield Boulevard – Phase IV Improvements Project in the amount of \$3,496,410.

Agenda Item # 3

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

EXECUTIVE SUMMARY:

The current year CIP provides RDA funding for the extension of Butterfield Boulevard Project from San Pedro to Tennant Avenue. The scope of work for this project includes the construction of approximately 4000 lf (0.75 mile) of 92 feet wide roadway including 4 travel lanes, bike lanes, sidewalks, planted median, approximately 1000 lf of Butterfield channel extension, and 3 traffic signals. In accordance with the City Council direction, staff completed the design work and prepared the bid package. The bid opening was held on March 19, 2003, and the bids received are listed below:

1) Granite Rock Co.	\$ 3,496,310	7) Wattis Construction	\$ 3,889,917
2) Top Grade Construction	\$ 3,599,396	8) Desilva Gates Construction	\$ 3,943,774
3) Trincherro Construction	\$ 3,760,280	9) RGW Construction	\$ 3,997,128
4) OC Jones & Sons	\$ 3,772,802	10) Stevens Creek Quarry	\$ 4,082,954
5) Silicon Valley Paving	\$ 3,880,126	11) Granite Construction	\$ 4,093,285
6) McGuire & Hester	\$ 3,887,530		

The low bid is 4% below the engineer's cost estimate. Staff has completed a background check on the low bidder and recommends award of the contract to Granite Rock Company dba Pavex Construction Division. The work is scheduled to start approximately May 1, 2003 and will be completed by November 15, 2003, weather permitting. A ribbon cutting ceremony will be tentatively scheduled for the week before Thanksgiving.

FISCAL IMPACT:

The total contract cost for this project is \$3,845,941, which includes a 10% contingency of \$349,631. The project will be funded by the 2002-2003 Capital Improvement Program, Butterfield Boulevard Construction Project #504D00.



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 2, 2003

AWARD OF CONTRACT FOR MODIFICATION OF LIFT STATION B SEWAGE PUMP STATION

RECOMMENDED ACTION(S):

1. Award contract to Trinet Construction, Inc. for the construction of Modification of Lift Station B Sewage Pump Station in the amount of \$448,000.

EXECUTIVE SUMMARY:

The scope of work for this project includes demolition, excavation, retaining walls, concrete wet well, pumps, piping, forcemain, paving, grading, landscaping, electrical, and all appurtenances to complete the upgrade of facilities at Lift Station B. The lift station is located in Holiday Lake Estates (see attached map) and was constructed in 1966.

The bid opening was held on March 19, 2003 and the bids received are listed below. The low bid is 12% above the engineer's estimate. The low bidder is Trinet Construction, Inc. Trinet Construction has performed similar underground work for the City and County of San Francisco, County of Santa Clara, City of San Bruno, City of Burlingame and City of Daly City. Staff recommends award of the contract to Trinet Construction. The project is scheduled to commence in May, 2003 and be complete by September 2003.

Trinet Construction, Inc.	\$448,000
Monterey Peninsula Engineering, Inc.	\$452,000
Vulcan Construction & Maintenance, Inc.	\$516,765
John Clay General Engineering Contractor, Inc.	\$554,899
Anderson Pacific Engineering Construction, Inc.	\$577,000
R.E. McCollum	\$629,100

FISCAL IMPACT:

The total contract cost for this project is \$492,800, which includes a 10% contingency of \$44,800. The project will be funded by the 2002-2003 Capital Improvement Program budget under Lift Station Improvements, Project #304093 in the amount of \$492,800.

Agenda Item #4

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 2, 2003

VACATION OF A PORTION OF A STORM DRAINAGE EASEMENT ON LOT 45, TRACT NO. 7679

RECOMMENDED ACTION(S):

1. Adopt Resolution declaring Summary Vacation of a portion of a storm drainage easement on Lot 45, Tract No. 7679, 1180 Castle Lake Circle.
2. Direct the City Clerk to file a certified copy of the Resolution in the Office of the County Recorder of the County of Santa Clara.

EXECUTIVE SUMMARY:

The owners of Lot 45, Mr. & Mrs. Michael J. Rusch, have requested that an existing storm drainage easement in their backyard be vacated so they may construct a swimming pool. The easement was created on the map for Tract 7679 commonly known as Castle Hills, Unit No. 4. The original intent of the easement is unclear since there are no existing or planned storm drainage facilities within the area. Staff has reviewed this matter with the Civil Engineer who prepared the map and improvement plans for the Castle Hills, Unit No. 4 subdivision and he concurs with staff's conclusion that the easement is not needed.

The portion of property described in the resolution is not required for present or prospective public use. This vacation is being processed under the Summary Vacation procedure as outlined in the Streets and Highways Code Division 9, Part 3, Chapter 4, Section 8330, et seq. The City Attorney's Office has reviewed the resolution and has found it consistent with the vacation procedures required in the California Streets and Highways Code.

FISCAL IMPACT:

There will be no cost to the City. Public Works has collected the requisite fees from the applicant to prepare and record the various documents.

Agenda Item #5

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL DOCUMENT TO:

CITY OF MORGAN HILL
17555 PEAK AVENUE
MORGAN HILL, CA 95037

RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

RESOLUTION NO. 5663

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING ITS SUMMARY VACATION OF A PORTION OF A STORM DRAINAGE EASEMENT ON LOT 45, TRACT NO. 7679

WHEREAS, the Director of Public Works of the City of Morgan Hill has recommended that the hereinafter described property presently held for public purposes is unnecessary for present or prospective municipal purposes; now

THEREFORE, BE IT RESOLVED by the City Council of the City of Morgan Hill that;

SECTION 1: The City Council of the City of Morgan Hill hereby finds from all evidence submitted that the land described in Exhibit 'A' and shown on Exhibit 'B' is unnecessary for present or prospective storm drainage easements, and hereby orders the Summary Vacation of said storm drainage easement in accordance with the provisions of Streets and Highways Code Division 9, Part 3, Chapter 4, Section 8330, et seq.

SECTION 2: From and after the date this Resolution is recorded, the portion of storm drainage easement described here as vacated will no longer constitute a portion of the storm drainage easement. Said portion of property encompasses approximately 10,274 SF.

SECTION 3: The City Clerk is hereby directed to cause a certified copy of this Resolution of Vacation, attested by said Clerk under seal, to be recorded without acknowledgment, certificate of acknowledgment or further proof in the Office of the Recorder of Santa Clara County. No fees shall be charged for recordation.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 2nd Day of April, 2003, by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

🦉 CERTIFICATION 🦉

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5663, adopted by the City Council at a Regular Meeting held on April 2, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: April 2, 2003

Agenda Item # 6

Prepared By:

**Council Services &
Records Manager**

Submitted By:

City Manager

TEMPORARY COUNCIL ASSIGNMENT TO MORGAN HILL COMMUNITY HEALTH FOUNDATION (MHCHF) AND APPOINTMENT OF MAYOR AS ALTERNATE TO THE SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY (SCRWA)

RECOMMENDED ACTION(S):

- 1) **Approve** Temporary Change in Council Assignment to the MHCHF; and
- 2) **Approve** Mayor's appointment as an alternate to SCRWA

EXECUTIVE SUMMARY:

In December of each year, the City Council reviews its Committees and Outside Agency Assignments. The City Council also identifies Council Liaisons to various boards, commissions, committees and other organizations. One of the organizations that the Council has representation is the MHCHF: Mayor Kennedy and Council Member Sellers serving as primary members and Mayor Pro Tempore Chang serving as the Council's alternate member. Mayor Pro Tempore Chang has taken the primary lead for the upcoming MHCHF fundraiser event, scheduled for May 31, 2003. Mayor Kennedy is recommending that Mayor Pro Tempore Chang serve as a primary Council Member to the MHCHF and that Council Member Sellers serves as the alternate. This temporary Council assignment will be effective April 2 through June 30, 2003. Council Member Sellers will resume the primary role on July 1, 2003. Council Member Sellers concurs with this temporary Council assignment change.

Mayor Pro Tempore Chang and Council Member Carr currently serve as the Council's primary representatives to SCRWA with Council Members Sellers and Tate serving as alternates. Mayor Kennedy is recommending that all members serve on SCRWA in some capacity. Therefore, he is requesting that he be appointed to serve as a Council alternate to SCRWA.

FISCAL IMPACT: The time necessary to prepare the staff report is accommodated in the Council Services and Records Manager's Operating Budget.



CITY COUNCIL STAFF REPORT
MEETING DATE: APRIL 2, 2003

Agenda Item # 7

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ORDINANCE NO. 1611, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING ORDINANCE NO. 559 NEW SERIES, BY ZONING PROPERTIES IN VARIOUS LOCATIONS THROUGHOUT THE CITY TO MAINTAIN CONSISTENCY WITH THE GENERAL PLAN. (ZA-02-21: CITY OF MORGAN HILL-AMENDMENT OF ZONING MAP)

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1611, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On March 19, 2003, the City Council Introduced Ordinance No. 1611, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.

FISCAL IMPACT:

The cost of researching and compiling this documentation was approximately \$2,500.00. This amount is charged to the General Plan Fund.

ORDINANCE NO. 1611, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING ORDINANCE NO. 559 NEW SERIES, BY ZONING PROPERTIES IN VARIOUS LOCATIONS THROUGHOUT THE CITY TO MAINTAIN CONSISTENCY WITH THE GENERAL PLAN. (ZA-02-21: CITY OF MORGAN HILL-AMENDMENT OF ZONING MAP)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.

SECTION 2. The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. A Master Environmental Impact Report has been prepared for the 2001 General Plan update and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. The Zoning Amendment complies with the General Plan as required by §65860 of the Government Code.

SECTION 4. The Zoning Map of the City of Morgan Hill, which is referenced under Title 18, Chapter 18.06 of the Morgan Hill Municipal Code, is hereby amended as specified below and shown on the attached exhibit A:

Site Area	APN	Lot Acreage	General Plan	Existing Zoning	Proposed Zoning
1	728-31-006	2.5	PF	R2-3,500	PUD*
2	728-31-005	1.4	C	R2-3,500	PUD*
3	764-10-005	2.0	PF	CG	PF
4	764-32-037	0.2	SFM	R1-20,000	R1-9,000
4	764-32-038	0.2	SFM	R1-20,000	R1-9,000
4	764-32-039	0.3	SFM	R1-20,000	R1-9,000
4	764-32-032	0.2	SFM	R1-20,000	R1-9,000
4	764-32-040	0.3	SFM	R1-20,000	R1-9,000
4	764-32-033	0.2	SFM	R1-20,000	R1-9,000
4	764-31-013	1.0	SFM	R1-20,000	R1-9,000
4	764-32-034	0.2	SFM	R1-20,000	R1-9,000
4	764-32-035	0.2	SFM	R1-20,000	R1-9,000
4	764-32-025	1.1	SFM	R1-20,000	R1-9,000
5	764-32-023	3.3	RE	R1-12,000	RE-100,000
6	726-25-003	3.4	PF	CG	PF
7	726-26-005	4.7	I	R2-3,500	ML

Site Area	APN	Lot Acreage	General Plan	Existing Zoning	Proposed Zoning
8	767-06-031	0.3	OS	RE-100,000	OS
8	767-06-030	0.3	OS	RE-100,000	OS
8	767-06-029	0.3	OS	RE-100,000	OS
8	767-06-028	0.3	OS	RE-100,000	OS
8	767-06-027	0.3	OS	RE-100,000	OS
8	767-06-026	0.3	OS	RE-100,000	OS
8	767-06-025	0.3	OS	RE-100,000	OS
8	767-06-024	0.3	OS	RE-100,000	OS
9	767-18-025	8.3	SFM	R2-3,500	No Change
10	817-09-036	0.8	MFM	CS	R3
10	817-09-051	2.2	MFM	CS	R3
11	817-07-007	9.8	I	CS	ML
12	767-23-009	0.9	MFL	CG	R2-3,500
12	767-23-016	3.6	MFL	CG	R2-3,500
12	767-23-006	3.6	MFL	CG	R2-3,500
13	779-34-017	1.0	SFL	RPD	R1-20,000
13	779-34-016	1.0	SFL	RPD	R1-20,000
13	779-34-001	0.6	SFL	RPD	R1-20,000
13	779-34-015	1.0	SFL	RPD	R1-20,000
13	779-34-002	0.6	SFL	RPD	R1-20,000
13	779-34-003	0.6	SFL	RPD	R1-20,000
13	779-34-014	0.4	SFL	RPD	R1-20,000
13	779-34-013	0.4	SFL	RPD	R1-20,000
13	779-34-004	0.6	SFL	RPD	R1-20,000
13	779-34-012	0.5	SFL	RPD	R1-20,000
13	779-34-005	0.5	SFL	RPD	R1-20,000
13	779-34-011	0.4	SFL	RPD	R1-20,000
13	779-34-006	0.5	SFL	RPD	R1-20,000
13	779-34-007	0.6	SFL	RPD	R1-20,000
13	779-34-008	0.6	SFL	RPD	R1-20,000
14	779-34-018	1.4	OS	RPD	OS
15	817-20-034	2.0	OS	RE-10	OS
15	817-20-033	3.7	OS	RE-10	OS
15	817-22-024	7.7	OS	RE-10	OS
15	817-22-022	9.2	OS	RE-10	OS

*The allowable uses in this PUD shall be the same uses as the adjacent Hospital PUD and the other uses supportive of that PUD.

SECTION 5. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 6. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of March 2003, and was finally adopted at a regular meeting of said Council on the 2nd Day of April 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

☞ **CERTIFICATE OF THE CITY CLERK** ☞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1611, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 2nd Day of April, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
MINUTES – MARCH 19, 2003

CALL TO ORDER

Mayor Kennedy called the special meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Chang, Sellers and Mayor Kennedy
Absent: Council Member Tate

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

PUBLIC COMMENT

Mayor Kennedy opened the floor to comments for items not appearing on this evening's agenda. No comments were offered.

Action: *By consensus, the City Council **deferred** discussion of agenda item 1 to coincide with its discussion as part of related Agenda Item 26 under the Joint Special Redevelopment Agency/City Council March 19, 2003 meeting agenda.*

1. APPROVAL OF GRANT OF EASEMENT AGREEMENT FOR EMERGENCY WELL

Director of Public Works Ashcraft presented the staff report.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Authorized** City Manager to Sign Agreement.*

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 10:50 p.m.

MINUTES RECORDED AND PREPARED BY

IRMA TORREZ, City Clerk



REDEVELOPMENT AGENCY

MEETING DATE: *April 2, 2003*

AUTHORIZATION TO APPLY FOR AND ACCEPT A CalHFA HELP LOAN FOR HOUSING PROJECTS

RECOMMENDED ACTION(S):

Adopt a resolution authorizing the Executive Director to:

- 1) Apply to the California Housing Finance Agency (CalHFA) "HELP" program for a loan of up to \$1 million; and
- 2) Do everything necessary to execute the loan with CalHFA, if awarded.

Agenda Item # 9

Prepared By:

BAHS Analyst

Approved By:

BAHS Director

Submitted By:

City Manager

EXECUTIVE SUMMARY:

In 2000, the Redevelopment Agency ("Agency") received its first CHFA (now CalHFA) HELP loan of \$1 million. This loan was used to help pay the acquisition, predevelopment and relocation costs for the Jasmine Square (formerly "Church Street") housing project. Since HELP funds are substantially less costly than interim commercial financing, this loan allowed the Agency to use its housing funds on other projects and programs while still holding down the loan costs at Jasmine Square. CalHFA regulations allow agencies to receive a maximum of two loans as long as the total amount borrowed does not exceed \$2 million.

HELP funds must be used to directly provide affordable housing. The program has a "Loan-to-Lender" format which allows a recipient agency to either re-lend or directly utilize the funds for its own purpose. Loans are unsecured and deferred, but accrue simple interest at 3% per annum on amounts drawn. The maximum loan term is 10 years, but CalHFA may call all or part of the loan after a prolonged period of non-use. Awards of HELP loans will be announced in mid-June.

The Agency is applying to use HELP funds for land acquisition, predevelopment and relocation costs related to affordable housing projects. South County Housing is currently working to purchase the old Royal Apartments on Monterey Road and three adjacent sites in order to develop new affordable ownership and rental housing (the proposed "Royal Court" housing project). If our application is successful, the HELP funds could be used to partially fund this project. This would "free-up" Agency 20% Housing Set-Aside Funds for other projects. The HELP funds would be paid back to the Agency when the permanent financing package is put into place. HELP funds could then be used in a subsequent Agency project.

Any agreements with non-profits (like South County Housing) for the use of the HELP funds would be brought back to the Agency Board for final approval.

FISCAL IMPACT:

Should a CalHFA HELP loan be awarded, the Agency would be responsible for repaying that loan. However, repayments would come from the non-profit developers to whom the Agency had loaned the funds.

RESOLUTION NO. MHRA-243

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY FOR AND ACCEPT A CALIFORNIA HOUSING FINANCE AGENCY (CalHFA) “HELP” PROGRAM LOAN OF UP TO \$1,000,000.

WHEREAS, in 2000, the Agency received its first \$1,000,000 loan from the California Housing Finance Agency (CalHFA) “HELP” Program; and

WHEREAS, the first HELP loan is being used to hold down interim costs to the Jasmine Square housing project while allowing the Agency to continue to fund other housing programs; and

WHEREAS, the Redevelopment Agency of the City of Morgan Hill (“Agency”) desires to continue to create programs within the Ojo de Agua Community Development Area to assist in purchasing, developing and preserving affordable housing projects, especially where existing blighted and substandard housing will be replaced as part of the housing goal; and

WHEREAS, a second loan of up to \$1,000,000 from the (CalHFA) “HELP” Program will provide interim low-cost financing for such a program by providing interim funds to the Royal Court and subsequent housing projects; and

WHEREAS, funding from the CalHFA “HELP” Program will allow a like amount of Agency 20% Housing Set Aside Funds to remain available for other Agency housing programs during initial phases of HELP assisted projects;

NOW THEREFORE, the Redevelopment Agency of the City of Morgan Hill does hereby resolve as follows:

SECTION 1. The Agency hereby authorizes the Executive Director to apply to the CalHFA “HELP” Program for a loan of up to \$1,000,000 for the purpose of purchasing, developing and preserving affordable housing projects within the Ojo de Agua Community Development Area, especially where the replacement of blighted or substandard housing is included in project goals; and.

SECTION 2. The Agency hereby authorizes the Executive Director to take all actions necessary to execute the loan agreement with CalHFA.

PASSED AND ADOPTED by the Morgan Hill Redevelopment Agency at a Special Meeting held on the 2nd Day of April, 2003 by the following vote:

AYES: **AGENCY MEMBERS:**
NOES: **AGENCY MEMBERS:**
ABSTAIN: **AGENCY MEMBERS:**
ABSENT: **AGENCY MEMBERS:**

🏛️ CERTIFICATION 🏛️

I, **IRMA TORREZ, AGENCY SECRETARY**, do hereby certify that the foregoing is a true and correct copy of Resolution No. MHRA-243 adopted by the Morgan Hill Redevelopment Agency at a Special Meeting held on April 2, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, AGENCY SECRETARY

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR CITY COUNCIL
AND SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES – MARCH 19, 2003**

CALL TO ORDER

Mayor/Chairperson Kennedy called the special meeting to order at 5:30 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Sellers, Tate (via telephone for closed sessions only) and
Mayor/Agency Chairperson Kennedy
Late: Mayor Pro Tempore/Vice-chair Chang

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

City Attorney/Agency Counsel Leichter announced the below listed closed session items.

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure/Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 2

2.

**CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:
CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of
Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner,
special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill

Case Numbers: Ninth Circuit Court of Appeal No. 02-15693

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

3.

EXISTING LITIGATION

Authority: Government Code section 54956.9(a)

Case Name/Number: Santa Teresa Citizen Action Group et al. v. California Energy Commission

(California Third District Court of Appeals, C041090); Santa Teresa Citizen Action Group et al. v. Hearing Board of the Bay Area Air Quality Management District (San Francisco Superior Court, CPF-02-50164); Santa Teresa Citizen Action Group et al. v. Calpine Corporation (Ninth Circuit Court of Appeals, 01-701611).

4.

EXISTING LITIGATION:

Case Title: Kennedy et al. v. Davis et al.
Case Name/No.: Santa Clara County Superior Court Case No. CV 803679
Attendees: City Manager, City Attorney, Special Counsel Matt Jacobs

5.

CONFERENCE WITH LABOR NEGOTIATOR:

Authority: Government Code Section 54957.6
Agency Negotiators: Ed Tewes, City Manager; Helene L. Leichter, City Attorney; Mary Kaye Fisher, Human Resources Director

Employee Organization: AFSCME Local 101
Morgan Hill Community Service Officers Association
Morgan Hill Police Officers Association

Unrepresented Employees: Custodian/Building Maintenance Worker
Government Access Technician
Maintenance Worker Assistant
Utility Worker Assistant

Executive Management Group 1-A

Chief of Police
Director of Business Assistance & Housing Services
Director of Community Development
Director of Finance
Director of Public Works/City Engineer
Human Resources Director
Recreation and Community Services Manager
Assistant to the city Manager
Council Services and Records Manager

Middle Management Group 1-B

Police Captain
Deputy Director of Public Works
Assistant City Attorney
Assistant Director of Finance
Chief Building Official
Human Resources Supervisor
Planning Manager
Senior Civil Engineer
Budget Manager
Business Assistance and Housing Services Manager
Police Support Services Supervisor
Senior Planner
Project Manager
Utility Systems Manager

Recreation Supervisor
Secretary to the City Manager

Confidential Non-Exempt Employees Group 1-C
Administrative Analyst
Secretary to the City Attorney
Accounting Technician
Human Resources Assistant

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairperson Kennedy opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairperson Kennedy adjourned the meeting to Closed Session at 5:33 p.m.

RECONVENE

Mayor/Chairperson Kennedy reconvened the meeting at 7:05 p.m.

CLOSED SESSION ANNOUNCEMENT

City Manager/Executive Director Tewes announced that no reportable action was taken in closed session. He indicated that a couple of the closed session items were continued to the conclusion of this evening's meeting agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairperson Kennedy, Lori Escobar led the Pledge of Allegiance.

PROCLAMATIONS

Mayor Kennedy presented a proclamation to Mala Nichani, American Cancer Society, recognizing March 2003 as Colorectal Cancer Awareness Month.

RECOGNITIONS

Mayor Kennedy presented Paul Staudenmaier with a Certificate of Recognition, acknowledging his award from the Santa Clara County Emergency Manager's Association as Morgan Hill Citizen-Volunteer of the Year.

PRESENTATION

Roccie Hill, Executive Director of the Housing Trust of Santa Clara County, thanked the City Council for the allocation it made to the Housing Trust a couple of years ago. She presented a brief update on what has taken place in the County of Santa Clara and in Morgan Hill since the allocation was granted. She announced that the Housing Trust fundraising campaign was the single most successful capital campaign in the history of Silicon Valley, raising over \$20 million over an 18 month period. She said that the success of the program was due to the County of Santa Clara and the Cities and Towns in the County as every entity contributed to the campaign. She indicated that approximately \$9.5 million has been loaned to three program areas with 1/3 of this amount going toward affordable multi family rental units, 1/3 to first time buyers, and 1/3 to homeless and special needs developments. She distributed to the Council an informational packet that contained a fact sheet that provides updates on Housing Trust loans. She informed the City Council that last November, because of the success of Proposition 46, the Housing Trust launched a new fundraising campaign of \$2 million to be raised within the community. If the Housing Trust can raise \$2 million within the County, they would be able to match the \$2 million, drawing into the County brand new dollars from Proposition 46 bond measure set asides. She stated that she would report back in greater detail as things develop over the coming months.

CITY COUNCIL REPORT

Council Member Sellers reported that the Legislative Committee monitors legislation, particularly at the State level, that impacts the City of Morgan Hill. He said that the Committee is focusing in three areas: 1) monitoring the State budget; 2) reviewing legislative initiatives relating to providing affordable housing; and 3) fiscal reform, indicating that there is a movement to improve the way Sacramento allocates funding and operations. He said that the current system is such that cities have to wait to see what is done with the State budget, noting that the last few years; the budget process has been very late. The Committee currently investigates fiscal reforms to be undertaken. He stated that there are a couple of bills that the Committee is tracking, including initiatives that will significantly change the way the state budget is handled. He said that the Committee is looking at issues that are impacted by other committees, including ABAG and Cities Association Legislative Committees. The Committee has talked about ways to coordinate these efforts. He requested that staff agendize discussion regarding the ABAG and MTC merger for the March 26 meeting so that the Council can provide input.

Mayor Pro Tempore Chang indicated that the ABAG Executive Board is meeting tomorrow night in Oakland. She stated that Cities Association board members have already endorsed the setup proposed by a subcommittee consisting of Dave Cortese and Tom Springer as well as others. She indicated that she would be attending this meeting as the alternate representative from the Cities Association to vote on the issue.

Council Member Sellers said that as an alternate to the City-School Liaison Committee, he ended up chairing the March 14 meeting due to a variety of scheduling conflicts. The Committee discussed efforts following the tragedy at Britton Middle School and how the City, paramedics, and police officers did an outstanding job in coordinating efforts to mitigate the effects of the horrible tragedy. The Committee talked about the progress being made at the Sobrato High School as well as a variety of other

issues. He felt that it was vital to continue coordinating efforts with the School District as they move forward on projects that the City coordinates with them. He addressed the California Home Performance Program, indicating that it is an opportunity for individual households to have an audit of their household energy and other uses, providing recommendations on how individuals can improve these uses. He felt that this was an exciting program and that he would be forwarding this information to staff as it may be information that the City may want to publicize in the weeks ahead.

CITY MANAGER REPORT

City Manager Tewes reported that the Governor has signed a bill that amends the current State Budget by making a series of reductions, indicating that school districts are included in reductions in the Governor's packet but that cities are not. He said that the Governor initially proposed reducing the allocation of motor vehicle license fees and sweeping Redevelopment Agency accounts that had housing monies. He indicated that the proposal that passed the senate and assembly and signed by the Governor does not include these. However, in his message in signing this bill, the Governor made it clear that the amount of reductions that were sent to him were insufficient for the long range solution and that he anticipates that even deeper cuts would need to be made in next year's State budget. He addressed the City's ongoing testing of its water system in order to ensure the public that the City is continuing to deliver safe drinking water. He said that with all of the concern about perchlorate, the City began a testing regiment in January of testing all city wells on a monthly basis. He indicated that in the first testing conducted in January 2003, the City used the State's testing mandates and protocols, noting that none of the City wells had any detectible levels of perchlorate. However, last month, staff reported that there were trace levels in two wells: Nordstrom and Condit wells. He indicated that the confirming samples showed no detectible levels of perchlorate in these two wells. The City took a conservative approach in protecting the public's water supplies, taking these two wells off line pending further testing and evaluation of the perchlorate situation. He indicated that the latest test results received yesterday and today show that all but one of the City's wells are at the non detectible levels, including the Nordstrom and Condit wells. However, the one Dunne well, in the same general vicinity, has a trace amount of perchlorate at 4 parts per billion. This does not exceed the action level but that consistent with the City's conservative approach, this well has been taken off line and that the City would be seeking confirming samples. He said that the results remain ambiguous but one thing is clear, there are trace levels of the chemical perchlorate north of the Olin site. Therefore, the City must continue to monitor the wells and protect the public's health and safety with the water supply. He noted that later in the evening, the Council will be considering a series of actions relating to emergency actions to drill new wells and provide additional sources of water supply to meet the City's demand during the summer.

Director of Public Works Ashcraft acknowledged that the City is being more aggressive than is required by the State Health Department who regulates the City's water department. He confirmed that the City has its third well off line pending further tests. He said that staff would be returning to the Council with a report of additional test results on these issues.

Council Member Sellers requested that the City release water results as soon as they become available. Mr. Ashcraft indicated that the current results have been presented to the media this evening and that the results will be posted on the city's web page tomorrow.

CITY ATTORNEY REPORT

City Attorney Leichter stated that she did not have a report to present this evening, but noted that she distributed the monthly Litigation Summary this evening to the Council.

PUBLIC COMMENT

Mayor Kennedy opened the floor for public comment on items not on the agenda. No comments were offered.

City Council

CONSENT CALENDAR:

Council Member Sellers requested that item 7 be removed from the Consent Calendar.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council, on a 4-0 vote with Council Member Tate absent, **Approved** Consent Calendar Items 1-6 and 8-12 as follows:*

1. **FEBRUARY 2003 FINANCE AND INVESTMENT REPORT**

Action: **Accepted** and **Filed** Report.

2. **ACCEPTANCE OF THE COMMUNITY AND CULTURAL CENTER PROJECT AND AMENDMENT TO CONSULTANT AGREEMENT**

Action: 1) **Accepted** as Complete the Community and Cultural Center Project in the Final Amount of \$11,846,252.00; 2) **Directed** the City Clerk to File the Notice of Completion with the County Recorder's Office; and 3) **Authorized** the City Manager to Execute a Second Amendment to the Consultant Agreement With Pacific Geotechnical Engineering for the Project, Subject to City Attorney Approval.

3. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR SAN PEDRO-GIANCOLA**

Action: 1) **Adopted** Resolution No. 5655, Accepting the Subdivision Improvements for San Pedro-Giancola; and 2) **Directed** the City Clerk to File the Notice of Completion with the County Recorder's Office.

4. **LOT MERGER FOR JACKSON OAKS BOOSTER STATION**

Action: 1) **Approved** the Merger of the Two City Owned Parcels for the Jackson Oaks Booster Station Rehabilitation Project; and 2) **Authorized** the City Manager to Execute the Necessary Documents for the Parcel Merger.

5. **MEDICAL RESERVE CORPS GRANT/ OFFICE OF THE SURGEON GENERAL**

Action: 1) **Approved** and **Accepted** \$78,490.00 Over a Three Year Period, to Support the Medical Reserve Corps Grant Project.

6. **APPROVAL OF SUBDIVISION IMPROVEMENT AGREEMENT WITH CHRISTEPH DRIVE PROPERTIES**

Action: 1) **Approved** the Subdivision Improvement Agreement; and 2) **Authorized** the City Manager to Sign the Agreement on Behalf of the City with Christeph Drive Properties.

8. **CLEAN VEHICLE RESOLUTION**

Action: 1) **Adopted** Resolution No. 5653, Supporting Purchase of Cleaner Vehicles.

9. **AUTHORIZATION TO APPLY FOR A CODE ENFORCEMENT GRANT**

Action: 1) **Adopted** Resolution No. 5659, Authorizing the City Manager to Execute a Grant Application for Code Enforcement Activities.

10. **ADOPT ORDINANCE NO. 1610, NEW SERIES**

Action: **Waived** the Reading, and **Adopted** Ordinance No. 1610, New Series, and **Declared** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DELETING SECTIONS 10.56.010 THROUGH 10.56.060, INCLUSIVE, AND SECTION 10.56.090 AND AMENDING CHAPTER 10.56, CHAPTER 10.64 AND CHAPTER 10.68 OF THE CITY OF MORGAN HILL MUNICIPAL CODE REGARDING BICYCLES AND COASTER OPERATION, AND FINES THEREFORE by the following vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.

11. **LEGISLATIVE PRIORITIES**

Action: 1) **Approved** the City of Morgan Hill Legislative Agenda; and 2) **Authorized** the Legislative Subcommittee to Direct Staff to Communicate the City's Legislative Position on Issues When a Position is Consistent with the Legislative Agenda.

12. **JOINT SPECIAL CITY COUNCIL AND SPECIAL PLANNING COMMISSION MEETING MINUTES OF MARCH 5, 2003**

Action: **Approved** the Minutes as Written.

7. **ESTABLISH SISTER CITY RELATIONSHIP WITH SAN MARTIN DE HIDALGO, MEXICO**

Mayor Kennedy indicated that the action before the Council would establish a second Sister City with San Martin De Hidalgo, Mexico.

Chuck Dillmann said that this is the next step in a relationship that started last spring when Jess Ambriz, from Morgan Hill, visited San Martin de Hidalgo and performed a preliminary investigation of mutual interest. Mr. Ambriz returned with an agreement to pursue San Martin de Hidalgo further. In August, a

delegation consisting of 8 individuals, including the Mayor from the City of San Martin de Hidalgo visited Morgan Hill. It was felt that the fit was good in terms of demographics; an agricultural community trying to move toward high tech; they offer a lot of the same agricultural businesses; they have a lot of enthusiasm; and they are interested in a youth exchange program. For these reasons, the Sister Cities Committee believes that the City needs to move forward and put together a program, culminating a relationship with a formal signing in the summer. He said that this would be a natural extension of the Sister City relationship with Italy that will hopefully include Yugoslavia and/or Serbia. He requested that the Council move forward with the Sister City relationship as it would be a good fit for the City's ethnic community.

Mayor Kennedy indicated that San Martin de Hidalgo is located in the Jalisco province and is located approximately 50 miles south of Guadalajara. It was his understanding that it is a beautiful community.

Council Member Sellers noted that there are two local corporations doing business with San Martin de Hidalgo (Sakata Seeds and Chiala Farms) with the hope that this relationship would increase in years to come.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council, on a 4-0 vote with Council Member Tate absent: 1) **Adopted** Resolution No. 5652, Establishing a Formal Sister City Relationship With the City of San Martin de Hidalgo, Mexico Upon Receipt of a Reciprocal Resolution; and 2) **Authorized** the City Manager to Do Everything Necessary and Appropriate to Establish the Relationship.*

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

Mayor Kennedy requested that a staff report be presented on Consent Calendar items 13 and 14.

Action: *On a motion by Council/Agency Member Sellers and seconded by Mayor Pro Tempore/Vice-chair Chang, the Council/Agency Board, on a 4-0 vote with Council/Agency Member Tate absent, **Approved** Consent Calendar Items 15 and 16 as follows:*

15. REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF FEBRUARY 26, 2003

Action: **Approved** the Minutes as Written.

16. SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF MARCH 5, 2003

Action: **Approved** the Minutes as Written.

13. APPROVAL OF COOPERATIVE AGREEMENT FOR CYCLE II PROPOSITION 14 LIBRARY BOND ACT GRANT APPLICATION

Recreation and Community Services Manager Spier presented the staff report for Consent Calendar Items 13 and 14.

Council Member Sellers said that he was in Sacramento recently and that he had the opportunity to speak briefly with the State Treasurer as he is a voting member on the Library Grants. He indicated that the State Treasurer is well aware of Morgan Hill's application. He praised Council Member Tate for his efforts on the City's Library Grant application and the fact that the City is strengthening the School/City portion of the application.

Mayor Kennedy said that the Council met with Senator Bruce McPherson and that this was one of the issues raised. He indicated that Senator McPherson agreed to contact State senators to encourage their support of the City's application.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council, on a 4-0 vote with Council Member Tate absent, **Approved** Cooperative Agreement Between Morgan Hill Unified School District, Morgan Hill Public Library and City of Morgan Hill for the Cycle II Proposition 14-Library Bond Act Grant Application.*

14. RESOLUTION FOR CYCLE II PROPOSITION 14 LIBRARY BOND ACT GRANT APPLICATION – Resolution No. 5654

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council, on a 4-0 vote with Council Member Tate absent, 1) **Reviewed** Draft Grant Application; and 2) **Adopted** Resolution No. 5654 Authorizing City Staff to Submit Grant Application to the California State Office of Library Construction.*

City Council Action

CONSENT CALENDAR (CONTINUED):

Mayor Kennedy indicated that he would be recusing himself from Agenda Item 17 as he resides within 500 feet of the property. He excused himself from the Council Chambers.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council **Approved** Consent Calendar Item 17, as follows:*

17. ADOPT ORDINANCE NO. 1609, NEW SERIES

Action: ***Waived** the Reading, and **Adopted** Ordinance No. 1609, New Series, and **Declared** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A PRECISE DEVELOPMENT*

PLAN FOR A 15-UNIT SINGLE FAMILY PROJECT LOCATED WEST OF HILL ROAD AND NORTH OF CONTE WAY, IN AN R-1(12,000)/RPD ZONING DISTRICT (APN 728-10-005; ZA-02-11: SHAFER-BAMDAD) by the following vote: AYES: Carr, Chang, Sellers; NOES: None; ABSTAIN: None; ABSENT: Kennedy, Tate.

Mayor Kennedy resumed his seat on the dais.

PUBLIC HEARINGS:

18. SOLID WASTE MANAGEMENT RATE ADJUSTMENT – Resolution No. 5651

Assistant to the City Manager Eulo presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Mayor Pro Tempore Chang and seconded by Council Member Sellers, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Refuse Rate Resolution No. 5651.*

19. OUT OF AGENCY SERVICE REQUEST OSR-03-01: BURNETT-MORGAN HILL UNIFIED SCHOOL DISTRICT/SOBRATO HIGH SCHOOL – Resolution No. 5656

Director of Community Development Bischoff presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Mayor Pro Tempore Chang and seconded by Council Member Sellers, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Resolution No. 5656, Forwarding the Request to LAFCO.*

20. ADJUSTMENTS TO USER FEES, SERVICE CHARGES, AND MISCELLANEOUS UTILITIES FEES – Resolution No. 5658

Finance Director Dilles presented the staff report.

Mayor Kennedy opened the public hearing.

Dick Oliver, Dividend Development, referred to Attachment A, line item 36, the final Measure P review cost increase in fees. He noted that the schedule reflects a current fee of \$4,415 and that these fees were raised from \$3,000+ from the previous year. Next year, the fee goes up to \$6,600 and increases each year. He noted that the annual increase includes a CPI. He inquired how the CPI is calculated and from what period is it to be calculated. He supported full cost recovery for the City but requested that the Measure P process be streamlined so that it does not cost the City the amount of money identified to process Measure P, noting that it is costly for a developer to put a Measure P application together. He

recommended that the City conduct an analysis because he felt that there is better use of the City's resources and developers' money as this cost is passed on to the homebuyers. He indicated that he addressed his comments to the Measure P Update Committee on how to streamline the process. It was not known how the process could be streamlined due to the constraints in the existing Measure P. He indicated that he serves on the Committee that is looking at the initiative to revise Measure P and that he was not sure that the Committee came up with any meaningful suggestions to streamline Measure P that would save a lot of money in the process.

No further comments being offered, Mayor Kennedy closed the public hearing.

Council Member Carr indicated that the Measure P Update Committee discussed streamlining the Measure P process and that Mr. Oliver and staff spent time evaluating streamlining Measure P. He felt that to a certain degree, some suggestions are proposed for implementation. He said that the review is what makes Measure P. He was not sure if you could take much out of Measure P without dismantling Measure P entirely.

Director of Community Development Bischoff stated that when he met with Mr. Oliver and other members of the development community, there were discussions about changes. Some of the changes would require an amendment to the Measure P initiative. However, several of the changes would only require an amendment to the City's ordinance that implements the initiative. He indicated that the City can change the ordinance without a vote of the electorates. He stated that he also met with most of the departments involved in the Measure P review process. Staff discussed what they thought could be done to streamline the process. Most of the ideas that staff came up with involved amendment to the ordinance as opposed to amending the initiative. He stated that he would agree to reconvene staff and seriously discuss amending the ordinance to help streamline the process. He indicated that the cost mentioned by Mr. Oliver is an increased cost that needs to be reduced. However, the cost does not include other costs. He said that the initiative requires quarterly reports be prepared and that this cost is factored into the fees. The initiative in place today also requires that the Planning Commission review Measure P and determine amendments needed on a yearly basis. He indicated that Measure P is a year round endeavor for City staff and that it is a major project. With the ideas that were generated by the development community and staff, he felt that a dent could be made to the cost next year.

Finance Director Dilles responded to the question relating to the CPI, indicating that it is based upon the inflation area factor of the previous year. He said that staff does not know the exact number at the end of June to implement the CPI in July. Therefore, staff would be using the year end of the previous April as an approximation of what the CPI would be for June. He stated that it would be the intent to pick up where the City left off in fee calculations and to start capturing the difference caused by inflation as the City moves forward. Should there be a deflationary effect, it would be taken into account. He said that it is proposed that whatever happens to the cost of living as measured by the federal Consumer Price Index, the fees would be adjusted by this number by the end of each year. He noted that Mr. Oliver mentioned that it would take \$1/4 million in fees to implement Measure P. He stated that the consultant's number shows that the City would be collecting approximately \$180,000 based upon the number of applications submitted. This number has been rolled into the process.

Council Member Sellers said that it is the goal for the City to achieve \$180,000. Should the City receive 25 applications in one year, he inquired whether the \$180,000 would be divided by the 25 applications. He further inquired whether the fees would result in developers paying less than \$10,000 or would the fees be based on the number of applications.

Mr. Dilles said that the study was staff's best estimate. He said that if there were more applications, the City would collect more money and that if there were fewer applications, the City would collect less money. If City staff knows that the best guess would be different, the City should adjust the fees downward or upward to reflect true costs.

Mayor Kennedy noted that there may be some work that can be done by revising the City's local ordinance to perhaps cut down the cost and the complexity of the Measure P process.

Council Member Sellers stated that it was his understanding that the Measure P Update Committee was considering a two year process and inquired whether this was still being seriously considered.

Council Member Carr indicated that the Measure P Update Committee is recommending multi year competitions.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Resolution No. 5658.*

21. ZONING AMENDMENT APPLICATION, ZA-01-18: COCHRANE IN-N-OUT BURGER/APPLEBEE'S

Mayor Kennedy opened the public hearing. No comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Continued** Public Hearing to April 2, 2003.*

22. OUT OF SERVICE AREA REQUEST OSR-03-02: ANDERSON LAKE-COUNTY OF SANTA CLARA – Resolution No. 5660

Director of Community Development Bischoff presented the staff report.

Council Member Sellers inquired whether this action would help expedite the construction of the boat ramp.

Mayor Kennedy opened the public hearing.

Mohammad Asif, Santa Clara County Parks Department Project Construction Manager, indicated that the project is approximately 90% complete other than the boat ramp and the landscaping. He said that County Parks missed the deadline for the Fish and Game and the Regional Water Quality Control Board

to construct the boat ramp within the time limit. He said that on March 21, 2003, testing of the concrete samples/spray sealant to occur so that the hydroxide would not migrate from the concrete to the lake. He said that the County has a plan to construct the boat ramp up to elevation 590, resulting in a 340-foot concrete ramp with a portion of the lower ramp constructed with a pre cast concrete element. It is County Parks hope to open the boat ramp by the end of May or early June 2003. He indicated that this would not be the end of the project as there is still another 125-feet of the lower portion of the ramp to be completed in the fall when the lake is low in order to complete the project. He indicated that the pre cast concrete would be made permanent.

Chuck Dillmann said that there a number of homes in Holiday Lake that are on septic systems and are experiencing problems. He indicated that he was looking at a piece of property on Hoot Owl where the existing septic tank is in bad shape. He informed the Council that County Health staff has indicated that the property owner cannot install a new septic system. He felt that the City and County need to look at this area and provide sewer to the homes in the area as it may result in homes being abandoned.

No further comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Resolution No. 5660, Forwarding Request to LAFCO.*

23. ZONING AMENDMENT ZA-02-21: CITY OF MORGAN HILL-AMENDMENT OF ZONING MAP – Ordinance No. 1611, New Series

Director of Community Development Bischoff presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Waived** the Reading in Full of Ordinance No. 1611, New Series.*

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council **Introduced** Ordinance No. 1611, New Series by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING ORDINANCE NO. 559 NEW SERIES, BY ZONING PROPERTIES IN VARIOUS LOCATIONS THROUGHOUT THE CITY TO MAINTAIN CONSISTENCY WITH THE GENERAL PLAN. (ZA-02-21: CITY OF MORGAN HILL-AMENDMENT OF ZONING MAP) by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.*

24. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ALLOCATION (FY 2003-3004) – Resolution Nos. 5661 and 5662

Director of Business Assistance and Housing Services Toy presented the staff report.

Mayor Kennedy opened the public hearing.

Dina Campeau, Emergency Housing Consortium (ECH), thanked the Council for its fiscal and moral support in the community. She was grateful to the citizen volunteers of Morgan Hill. She indicated that there is a new service available; Outreach Court. She indicated that this is collaboration with the County court who works with homeless and mentally ill individuals who have status offenses and other kinds of legal problems that are preventing them from moving forward on their quest for stability and independence.

Council Member Chang inquired how an individual can report/assist a homeless individual. Ms. Campeau indicated that EHC has the winter shelter opened and that these individuals can be referred to the San Martin shelter. She indicated that EHC has case workers who could work with individuals.

George Nale, Live Oak Adult Day Services, indicated that this Agency is celebrating 20 years of senior care in Santa Clara County and 10 years in Gilroy. He addressed the services provided. He requested additional money as funding from other sources has been reduced. He indicated that he would look into a local Morgan Hill phone number for residents to use.

Helena Fox, Program Manager for Day Break Catholic Charities, thanked staff and Council members for the recommended funding. She indicated that this program provides in home respite services to seniors.

Donna DMinico, Catholic Charities Long Term Care Ombudsman Program, thanked the Council for its support. She indicated that this program has exceeded its mid year objectives and continue to investigate a number of unusual complaints for individuals in Morgan Hill. Besides investigating a number of allegations of abuse and neglect, the program looks into allegations of medical discrimination, illegal evictions procedures, and personal property being lost or stolen. She stated that complaints are responded to fairly quickly, within 24 hours for abuse cases.

Renee Rodriguez, Housing Specialist with Catholic Charities of Santa Clara County, addressed the unique work being provided in Depot Commons in Morgan Hill. She thanked the Council for its continued support of this program. She addressed success stories of the program.

Cindy McCoun, Director of Services for Second Harvest Food Bank, indicated that the request before the Council is for the Operation Brown Bag Program. She indicated that this is one of 74 sites that Second Harvest Food Bank operates, indicated that the service area is from South San Francisco to Gilroy. She said that what is being seen is that many of the seniors participating in the service are relying on other volunteers to perform home delivery. She indicated said the needs of individuals seeking services, particularly in South County, are far exceeding the amount of food coming in; a trend being seen in the past 18 months. She thanked the Council for its long time support.

Lori Escobar, Program Director for Community Solutions - El Toro Youth Center, thanked the Council for its support and for the opportunity to continue serving Morgan Hill. She indicated that the program

has added a couple of other youth sites: Ciolino and the Willows Apartment complex. She said that the program has come a long way in the last 15 years in providing additional services and in developing a strong parental program.

Angela Coventry, Director of Safety and Support Services at Community Solutions, also thanked staff and the Council for its recommendation to fully fund La Isla Pacifica once again, a battered women's shelter serving South Santa Clara County. In addition to the emergency shelter and emergency food/clothing, the agency provides safety planning for all women and children who come through the shelter and also provides individual goal planning to help individuals seek an independent life; free from violence.

Mayor Pro Tempore Chang indicated that she would not be participating in the discussion or action relating to the Lighthouse project as she has a potential conflict of interest with Mr. Edwards.

City Attorney Leichter recommended that the Council segregate the Lighthouse Youth Center from the other agencies as Mayor Pro Tempore Chang can vote on the rest of the appropriations.

John Edwards, Director of the Lighthouse Youth Center, addressed the misunderstanding relating to the insurance requirements. He requested an increase in funding as he is the sole supporter of the facility. He stated that the hours of operation are Monday-Friday, 3-8 p.m.; 6-10 p.m. on weekends; and on Saturdays from 2-6 p.m. He said that the Lighthouse is short in funding and is bringing on additional staff to work with the youth.

Ann Marquart, Director of Project Sentinal, thanked the Council for past funding and the support given by the City. She indicated that assistance is given with tenant/landlord dispute resolution, mortgage counseling, first time home buying education, and predatory lending situations that may come up in the County.

No further comments being offered, the public hearing was closed.

Mayor Kennedy complimented staff for working out the allocations. He indicated that there were so many good requests and organizations that do wonderful work for the community and that this is appreciated. He stated that the funds available are limited and that funding resources/revenues are down; making the situation tougher.

Council Member Carr stated that it seems that the Council tends to fund a lot of on going services that it has funded in the past. He recommended that in the application, programs seeking funding identify how they met the prior year's goals. He recommended that the Council review measurable results of the City's investment from the previous year. He felt that it would be good to know that the Council reviewed whether or not an agency met the goals of what was funded in the previous year. He said that the Council has supported the Youth Empowered for Success (YES) Program, including the 40 developmental assets that are a part of this program. He said that the YES Program has talked about how the City can use developmental assets as one of the criteria when deciding how to use CDBG funds. He recommended that the development assets be used as an emphasis/focus in future years when

looking at the different applications. He concurred with Mayor Kennedy that this is a tough economic year. He felt that staff has found creative ways to fund a lot of worthwhile programs, looking at demographics of the community and addressing growth areas. He thanked the agencies for the work that they do and to staff for putting together a recommendation for Council consideration.

Director of Business Assistance and Housing Services Toy informed the Council that staff conducts quarterly performance reviews during the course of the year. He said that staff could attach the most recent goal data in the reporting.

Mayor Pro Tempore Chang thanked those in attendance for the good work that they are doing.

Council Member Sellers noted that this is a lean year. He thanked the applicants in attendance this evening in letting the Council know what has happened in Morgan Hill in terms of achieving program goals and identifying accomplishments.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Resolution No. 5661 for Allocation of FY 2003-2004 Federal CDBG Funds, deleting reference to the Lighthouse funding.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Authorized** the City Manager to do Everything Necessary for the Implementation of the CDBG Program, Including Execution of All Required Contracts.*

Mayor Pro Tempore Chang inquired as to the process in assisting homeless individuals?

City Manager Tewes indicated that the police department can be contacted and that a police officer would be assigned to assist an individual. Staff would be referring individuals to the proper support agency. He informed the Council that the City does not have a designated department or staff to address these kinds of needs. He said that there are trust funds that are administered by the YMCA, in their agreement with the City, that provide for emergency cash assistance to individuals who need emergency cash. This is not the case with the homeless people being addressed by Mayor Pro Tempore Chang.

Mayor Pro Tempore Chang and Mayor Kennedy requested that the homeless issue be agendaized for a future meeting.

Council Member Sellers said that there are several short term and long term communication efforts that are being undertaken in the County. He indicated that earlier this year, the Council received a report on the coordination of the 211 phone line which is several years away but on its way. It is his hope that 211 will receive funding. He said that to the degree that the City can identify the right location and services and make the appropriate referral of an individual to the needed services would be a great benefit. He requested that staff do what it can to coordinate this effort.

Ms. McCoun indicated that the Food Bank has an 800 number. She indicated that there is also an 800 number for shelter assistance. She said that City staff can provide an individual with a card that has phone numbers for the services needed in multi languages. She stated that she would provide City staff with a supply of these cards.

Mayor Kennedy requested that staff put together a fact sheet of all the programs and services by the agencies in attendance this evening, including the phone number of the contact person so that staff can refer individuals to the appropriate agency/individual.

City Manager Tewes said that there is a county-wide referral processes to which staff has access to. This information may be converted to the 211 phone number versus the 800 number. He said that staff has access to this data base at the police department and City Hall of a wider range of social services available to individuals in the community.

Council Member Sellers stated that this is a difficult year and that the City does not have a greater amount of resources. He requested that staff work with the Lighthouse Group as well as with the other agencies not being recommended for funding to identify other community resources. He felt that there were opportunities for service clubs and other opportunities to pick up some of the slack.

Mayor Pro Tempore Chang stepped out of the Chamber for the action to be taken on the Lighthouse.

Action: *On a motion by Council Member Carr and seconded by Council Member Sellers, the City Council, on a 3-0 vote with Mayor Pro Tempore and Council Member Tate absent, **Adopted** Resolution No. 5662 for Allocation of FY 2003-2004 Federal CDBG Funds for the Lighthouse, as recommended by staff (roll over last year's allocation to this year).*

Mayor Pro Tempore resumed her seat on the dias.

City Council

OTHER BUSINESS:

25. SANTA CLARA COUNTY'S COURTHOUSE PROJECT

Director of Business Assistance and Housing Services Toy presented the staff report. He indicated that last Friday staff met with County staff and their architect to talk about preliminary comments and to discuss how the proposed design best meets the architectural design guidelines approved for the project. At the meeting, the architect advised staff that some details would be provided as the courthouse moves through the design development process. The architect understood staff's concern, indicating that he would try to address them at that time. He stated that County staff has indicated to City staff that they would like to work closely with the City during the design development process. He said that County staff understands the City's concern regarding the design elevations and would try to resolve these issues. He said that before the County could respond to City staff comments, they would like to hear the

formal comments from the Council. Following comments, County staff would take the Council/staff comments and determine how they would prepare a response for Council consideration. He indicated that the County would not be making a presentation on the schematic design and would be providing the Council with more clarification as to the next steps. He stated that staff is recommending that the Council consider the County's presentation, provide comments on the schematic design and that it direct City staff to prepare and transmit formal comments to the County for consideration. He also recommended that the Council request that the County provide it with updates on the design development process. He indicated that the County will be conducting a public meeting on March 27 from 7-9 p.m. At that time, they plan to present the preliminary elevations as well as accept comments and input on the draft EIR for the project.

Keith Carruth indicated that he would accept, on behalf of the County, the letter of apology for how the prior meeting went as it acknowledged that some of the information was inaccurate. He said that County staff was bombarded with questions that he believed was a result of this information. He informed the Council that County staff made an offer to have the architects come down and present the schematic design with a model in advance of the meeting. He indicated that County staff was not taken up on this offer as a way to get the Council briefed and ready for this meeting. He advised the Council that in attendance were the project architect, construction management firm, project manager, County counsel and that the Courts have sent a representative as well to hear what the Council has to say. He stated that County staff has lived up to the letter/spirit of the agreement with the City. He presented a power point presentation relating to where the County is in the design process. He indicated that there are three players in this situation: 1) the County of Santa Clara that is funding the majority of the project and is leading the effort to design and have the courthouse built; 2) the State of California, Administrative Office of the Courts, represented by the local courts that the County is working with in providing a building, noting that the County and the Court systems are separate entities; and 3) the City of Morgan Hill. He identified the features and the buildings proposed. He indicated that the agreement speaks to the RDA finding the County a number of sites. The County selected a preferred site and that the RDA is to acquire said site. At the time the project was envisioned, the County had an assumption that they would use 6 acres of the site, indicating that it was believed that the site was 8.25 acres. There was some discussion about a police facility on the site, subsequently a fire station or another facility. He felt that the Butterfield site is a good site for the project.

Mr. Carruth identified the timeline for the project and the design process. He informed the Council that City staff was advised, on Friday, that the colors included in the schematic design have nothing to do with the colors of the facilities as no colors have been decided upon for the courthouse facility. He stated that the County holds monthly project briefings for which the District Attorney, Public Defender, Probation Department, General Services Agency, City of Morgan Hill and the Courts are assumed to be integral members. He stated that it was critical for all integral members to participate. He indicated that in the schematic design meetings, City staff attended two or three of the meetings, noting that several meetings were held dealing with the design when there was no representative from Morgan Hill in attendance. He noted that the Council complained at the last meeting that the design was finished and that it did not have an opportunity to review the design. He said that the design was discussed as it evolved in each of the meetings. Individuals who attended the meetings were provided with the drawings presented at the meetings. The members who did not attend the meeting were sent minutes of

the meetings. He said that on one occasion, the City's architect asked for copies of the drawings of a particular meeting and that the County forwarded the drawings, as requested. He felt that there was a communication problem about what information the City has/has not received and how the City has/has not participated.

Executive Director Tewes informed the Agency Board that Director of Business Assistance and Housing Services Toy was assigned this project, indicating that from time to time he attends meetings and that the contract architect also attends meetings, from time to time.

Mr. Carruth addressed the acreage reduction. He said that it was originally thought that the site was over 8 acres and that both the City and the County, in good faith, believed this to be true. It turns out that the acreage was not accurate. When the site survey was completed, it was found to be 7.75 acres. Therefore, the County went through a reduction. The County had to address storm water retention requirements. This reduced the surplus land to $\frac{3}{4}$ acre, further reducing the land the site to $\frac{1}{2}$ acre when the County reviewed storm water requirements. He said that the draft CEQA contains a recommendation that the County take the last $\frac{1}{2}$ acre remaining and hold it for parking to 2020. He indicated that County staff kept the City apprized of the various issues. He said that the Council had a concern last time about the letter he sent prior to the Council meeting. He stated that he sent the letter on February 13, 2003, knowing that the Council was meeting on February 19, and that on February 14, 2003, the draft EIR was to be released. He said that the letter was to address the CEQA requirement and that he wanted the Agency Board to have this information prior to the meeting.

Mr. Carruth read Sections 16 and 17 of the RDA/County Agreement that addresses design. He summarized the County's view of the City's design guideline comments. He said that it was his belief that there are a set of standards in the guidelines that are mandatory and that the County has to live up to them. It was also his belief that there were other set of guidelines that were not mandatory. He indicated that the schematic design requirements includes the following: multiple entrances to be provide as the building is longer than 125 feet; 8 foot sidewalks around the facility; 30 foot setback; multiple entrances; exceeds required landscaping by 20%; designed a portion of the site as an orchard; designed the project to face four directions; utility equipment is not to be exposed (not on roof top); established a civic presence; focal points incorporated into the design; entrance oriented toward downtown; and that the project will meet the City's requirement of a pedestrian connection, noting that it has always been a part of the design. He indicated that he envisions use of stone. He indicated that a one story building is proposed with the exception of the Courthouse facility so as not to use as much of the site at the request of the City's contract architect. As a result of this request, inmate movement has been sited underground. He said that it turns out that the County needs the entire site but that the County did not know this fact at the time decisions were made. He stated that articulated bays are proposed and that the building is not a flat surface. He felt that the building would be very imposing and a high quality design. Looking toward the parking lot, he stated that the entryway is articulated. There will be a use of step back heights (village facade), the use of a pedestrian approach and a plaza. He said that the entry element is intended to give a traditional courthouse feel. He identified the focal point from Diana Avenue. He indicated that a determination has not been made on the finishes and therefore the brick element is used as a suggestion. The setback and height give a sense of pedestrian scale. He presented buildings located near by that he believes most resemble the County's design, indicating that the height

of the building will be 35 feet. He indicated that he heard comments expressed about the scale of the building not feeling like downtown. It was his belief that the way that the building was stepped back in accordance with the City's guidelines of 30 feet and being setback 40+ feet from the street will create a human scale. He did not believe that the design proposed is as massive as the downtown, acknowledging that there are lower buildings in the downtown.

Mr. Carruth said that the City's letter expressed some concern about the process. He identified the process undertaken to date. He indicated that monthly meetings have been held since April 2001. He felt that there were four conditions necessary for the agreement to function effectively: 1) consistent City representation at the meetings; 2) City needs to regularly attend the meetings; 3) County needs active and meaningful participation; and 4) effective communication being relayed to the Council on what takes place/information provided at the meetings. He said that County staff has tried to work closely with the City since the inception of the project and that the County wants to work closely with the City. He stated that monthly meetings are held by the County and that any Council Member and staff are welcome to attend. He said that he understood that Mr. Toy is the City's representative and that anyone that attends the meetings with him speaks for the Council. He noted that the City staff report states that before the County will respond to staff comments it would like to receive formal comments from the Agency Board. He indicated that this is not an accurate statement. He clarified that County staff was unwilling to respond because they were following the directions of the City Manager. He reiterated that it was important to have consistent city representative(s) attending the County meetings on a regular basis. He said that the design of the courthouse was actively taking place and that the City was not represented. He informed the Council that the City has had sample photographs of the project architect's work for 18 months. He stated that he was worried about how communication is taking place, how business is being done and how County staff might be able to help the Council with this regard to make the process go better.

Council Member Carr requested that Mr. Carruth provide the Council with a hard copy of the information presented this evening. He requested clarification of the need for two buildings and the statement presented about the separation of County and State.

Mr. Carruth addressed the two bills passed a few years ago. AB233 which was the first bill that started to split the courts from the State. This bill dealt with court operations, indicating that courts were to be taken over by the State. This part of the split has already occurred. He said that the second part of the split was addressed by SB 1732 passed this past year. This bill addresses how the facilities will be transitioned and calls specifically for negotiations to take place between the County and the State commencing July 1, 2003 through June 30, 2007 statewide. This will transfer all court buildings to the State of California. He indicated that the County will try to transfer the building to the State of California at the completion of the building. He stated that the County would retain ownership of the property from the justice office building and the related parking. The state would end up owning the courthouse and a portion of the parking lot. He said that at time of negotiations with the City, both parties knew that the split was in process. The agreement took into account the anticipation of this split.

Council Member Sellers said that there were several issues that he wanted to raise. He requested staff's comments on the issues as stated by Mr. Carruth.

Mayor Kennedy said that it appears that Mr. Carruth is stating that the City had ample opportunity to provide input into the process. It was his understanding that this was not the case.

City Manager Tewes said that it is likely that City staff did not attend all of the meetings. He stated that it was important to distinguish the issues that were discussed several weeks ago from the issues that are being discussed this evening. A couple of weeks ago, the Council addressed the site planning issues and the extent to which the County and the City were working together to identify both courthouse facilities and a facility for a police station. He indicated that there was discussion at that time about the extent to which the City had communicated. He said that Mr. Carruth has demonstrated this evening how the site has shrunk for the courthouse, leaving the City with no additional space on the courthouse project for a police station. Mr. Carruth reported that he conveyed to the City the Friday preceding the Council meeting that in their view, the EIR would require all of the courthouse property to be used. Therefore, there would be no opportunity for a police station. He was not sure that a perfect attendance record would have led to a different decision about whether or not the City and the County could have co located a police station. The issue of design, specifically the elevation, is one that is before the Council. He reiterated that staff had not yet received copies of the schematic designs and that it was indicated at the time that staff had not received the elevations but have since received them. In the last couple of weeks, staff has been focusing on the exterior design issues that are the subject of most of the design guidelines that the Council adopted and that the County acknowledged that they are required to meet as part of the agreement. He agreed that there could have been better cooperation. He indicated that he received the seven page detailed letter from Mr. Carruth this evening and that he provided Mr. Carruth a 3-4 paragraph response. He did not believe that it was useful to get into the textural readings of staff reports or e-mails.

Mayor Pro Tempore Chang recommended that the County and City move forward with the project. If the County is interested in the Council's comments, she would be willing to provide her comments, taking the project to the next step. She did not believe that it made sense to go backwards and recommended that both parties move forward.

Mayor Kennedy stated that he too would like to move forward and come up with a project that works for all parties. He was sure that the County and judges would want to have a facility that it would be proud of in Morgan Hill. He stated that the citizens of Morgan Hill would like a building that it would be proud of as well. He felt that it was important to get back on track and make sure that both agencies are working together cooperatively. He noted that City staff provided the County architect questions and comments. He recommended that the County respond to these questions.

Mr. Carruth informed the Council that County staff is not prepared to respond to the questions this evening because County staff was waiting to hear from the Council.

Council Member Sellers said that the City Manager addressed some of the initial issues. He concurred that it would be appropriate to move forward and discuss the project. He stated that he had several questions concerning the design. He indicated that he was never asked to participate in any pre meeting with the architect and that he did not know if this was an internal offer. He requested clarification on

this issue. He stated that he would offer comments this evening based on the design presented. He stated that as both agencies move forward, comments be provided about the design and how it might proceed. He recommended that procedural issues be addressed so that it is ensured that there is adequate input henceforth with the right people, in the right context and that the process goes back and forth.

Mr. Carruth said that on March 7, he received an e-mail providing him some information and requesting that he answer some questions. He said that he answered these questions, provided some information and that he asked some questions. He stated in his e-mail that the County would be happy, in advance of the Council meeting, to have its architect bring the working model and spend time with the Council reviewing the model. This would have afforded Council the opportunity, prior to this meeting, to be fully informed. He indicated that he received no response to this offer.

City Manager Tewes felt that there was miscommunication because staff anticipated that County staff would be bringing the model to the meeting this evening.

Mayor Kennedy stated that he did not see that the design fits the Morgan Hill community. He felt that it is a building that fits a larger, cosmopolitan city like San Francisco or San Jose and that it appears to be out of context for Morgan Hill. When he thinks of a courthouse building for Morgan Hill, he thinks of courthouse buildings similar to that of Roseville where vertical elements are used. He felt that the proposed design gives the perspective of a long, horizontal box. He did not believe that this design fits Morgan Hill. He would prefer to see some vertical elements (e.g., pitched eve rooflines). He stated that he was not concerned about a 41-foot height limitation as long as the overall mass does not exceed this height. He stated that the height limitation was put into place by a previous City Council and that he was not sure whether the majority of this Council was still supportive of the existing height limitation.

Mayor Pro Tempore Chang said that she supports the current height limitation. She stated that she likes the pictures of the model as they have varied heights. She inquired whether it would be possible to change a portion of the design to provide a variation in the building roof height. She felt that the design of the project could be enhanced. She liked the design of the smaller building presented.

Mr. Carruth stated that he understood Mayor Kennedy and Mayor Pro Tempore Chang's concerns. He said that County staff would look into them. He said that there are some issues with the design that drives the exterior design. He stated that the flat on drawings of the elevations does not give justice to the building as you cannot see the buildings depth. He said that he would be happy to bring the model to the Council next week and walk it through the design.

Mayor Pro Tempore Chang stated that she would like to review the model.

Mayor Kennedy stated that he would like to take a tour with the County's architect and look at other courthouse buildings as it would be helpful. He felt that there were ways to make changes that would not significantly affect the schedule that the County is on. He said that he likes some of the other designs of the County's architect but that he does not like the one proposed for Morgan Hill.

Mr. Carruth indicated that County staff would explore the possibility of a tour. He indicated that the colors presented do not represent colors to be used and that the colors were used to articulate the building. He said that the County has not made a decision on colors or exterior finishes.

Mr. Drulis, project architect, said that what is being articulated are breaks/bays that are set out six feet. Therefore, the design modulates in and out along the facade. He stated that there is a lot of articulation that is not shown in a two dimensional drawing.

Mayor Kennedy felt that the building appears to be very boxy. He requested that the architect explain how this design would fit in the community.

Mr. Drulis indicated that it is important to know that the drawings are two dimensional as he is in schematic design and that the building has been massed. He felt that review of the model would be the most informative exercise because the model would show the articulation of the building. He said that there is a level of detailing in this type of building that does not show up in the schematic design. He said that the design will utilize stone as it is a very noble and timeless material. He felt that the design of the building was high quality and felt that the curtain walls add scale and depth. He indicated that there are a lot of shadow lines in the building that are not showing. He was relying on the Butterfield elevation to give the building character with the use of material and modulating the facade. He felt that it would be important that the public visiting the building for the first time have a sense of a campus. He stated that he would be happy to go through the design in greater detail in a workshop setting next week.

Council Member Sellers indicated that the City recently completed a community center with the City going through a significant process. He stated that the Council was very hands on in the process. He said that there were several times that the visions for the community center were not in line. Therefore, the Council performed a lot of work upfront, particularly in the design process. He stated that the Council understands the difference between schematic and the design process, particular knowing when to/not articulate its thoughts. He felt that the architect did a good job in articulating certain elements (30' setback, tying project to downtown, incorporation of an orchard, etc.). He expressed concern with the massing of the design, understanding that the Council is viewing two dimensional drawings. He felt that the exterior feel of the building evoked a campus facility. He did not get a sense that the architectural elements, evident in the drawings, were reflective of the kinds of things that the community has evolved into. He said that the community had an early period of growth and development that is reflected in the downtown and a later period of growth reflected in residential elements. He shared Mayor Kennedy's thoughts that the height is not a big issue if it helps to break down the long feel to the building design. He understood that there are certain constraints that the interior requires of the design but that he felt that there was significant latitude that the County has in how the design is put together. He said that the materials, the box square feel, and the elongated feeling of the design were his primary concerns and that he would like to see them addressed. He supported a design workshop to address the concerns. He felt that the previous discussions were helpful and that it was more difficult than it should have been but that the discussion raised issues that the Council is bringing to the forefront. He stated that he is looking forward in working together. He agreed that the courthouse would become a nexus and that he felt that it needs to be a positive element because it will be a significant facility. It was his hope that the County and City could work toward the design of the courthouse in a positive way. He thanked County staff

and the architect for being in attendance this evening and what will be a start of a more successful process.

Council Member Carr inquired whether County staff is planning to conduct any public hearings in Morgan Hill where neighbors and citizens will get a chance to comment.

Mr. Carruth responded that a public hearing is scheduled for March 27, 2003 in the Council Chambers.

Council Member Carr inquired whether the point where the project grew in scale from 60,000 square feet was attributed to how the actual operations of the facility affected the design.

Mr. Carruth said that the increase in size occurred early in the programming. He stated that County staff made planning assumptions several years back that 61,000 square feet would be necessary. At the time County staff got into architectural programming, it was realized that the early planners left out some key spaces. He said that approximately 80-90% of the growth was attributed to what was left out and in other cases, things were bigger than anticipated. He said that it was also the County's goal to sell the City two-acres of the site, using this money to offset the cost of the project.

Council Member Carr said that as the project grew, it became uncomfortable to him.

Council Member Sellers said that the City's Fire Master Plan calls for a fire station to be located in the general vicinity of Butterfield Boulevard. He inquired if it would be possible to co locate a fire station on this site.

Mr. Carruth said that when he met with the Mayor and the City Manager a couple of weeks ago, the City brought a plan to County staff depicting a fire station on the property. City staff showed the fire station overlapping onto the County's building. He informed the Council that County staff committed, at this point, to go back and look at the site layout with the architect. It was determined that there had been an error on the City's part and that in fact the $\frac{3}{4}$ acre area was large enough to site a fire station facility should the City purchase the property. County staff indicated that if it was the City's desire to co locate a fire station, the County would be willing to share an access and egress point with the City. However, County staff believes that the City can accommodate a fire station on the $\frac{3}{4}$ acre site without County assistance. He indicated that the individuals who prepared the work for the City did not have the fire station accurately laid out on the land. He said that the County fixed this problem for the City and communicated this information to the City Manager.

City Manager Tewes stated that he made a number of points in the meeting to make clear that it was time to move forward to find opportunities for cooperation. It was his belief that opportunities for cooperation exist. He said that if the City is able to acquire the site from VTA, there would be ample opportunity for the fire station and to provide access with cross easements. He felt that the City and County is on the right path with this regard. He said that it is clear that there is not enough land on the courthouse site to provide for a fire station and that supplement land is needed.

Mr. Carruth said that the County did not offer to master plan the site because the agreement clearly states that the County would only master plan if there is excess land, noting that there was no excess land to offer.

Council Member Carr referred to the site layout, noting that Mr. Carruth stated that County staff tried to make the Butterfield side have a different feel from the other side. He expressed concern with this regard because it was his belief that as the City expands, Butterfield will be changing. It is his hope that this area becomes pedestrian active. As the acreage along Butterfield develops, he recommended that it be done with transit orientation, commercial and residential in mind. He recommended that County staff not look at the area as to what is there today but what will be developed along Butterfield. He stated his appreciation of the setbacks and the feel versus the feel of being right next to the downtown buildings. He said that he is concerned about the scale of the building and that any adjustments would be appreciated. He said that he gets a cold feeling from a cement/tilt up structure that is not attractive, warm or inviting to a downtown area. It was his hope that the facility will be a warm and inviting place for the employees and others who need to conduct business at this location. He was not sure whether the convenience factor was built into the project. He would like the design to be one that would be inviting. He noted that the drawings depict an administrative building being one story and the courthouse being two stories, indicating that the scale appears to be about the same.

Mr. Carruth felt that a presentation would be helpful to address the concerns. He clarified that finishes nor colors have been determined.

Mr. Drulis, project architect, said that it is more than likely that steel frame would be used and that the interior sheer walls will not be visible from the street. Also, metal stud framing will be used with the use of internal brace frames within the walls with some stucco. He said that noble exterior material will be used. He said that it was important to emphasize that he has not made a presentation of the materials to the County or to the user groups. He said that he would bring an array of pallet materials and start discussing them.

Mayor Kennedy said that it his vision that a plaza would be designed to open up the downtown area. He felt that the south plaza seems to be where the focus of the courthouse is. He felt that it would be better to flip the design and recommended that the main plaza be sited on the north side, closer to the Caltrain station. This would allow the use of walkway that crosses the Caltrain tracks and connects to Third Street, a major downtown street.

Judge Shapiro stated that he was in attendance not only as a member of the Santa Clara County Superior Court but that he and his family have been 19-year residents of the community, indicated that he and his family are very vested in Morgan Hill. He sees this project not only as to what it means to the court but what it means to the community. He looks forward to having the opportunity to sit in a state of the art court facility on Butterfield. He said that this project has been and will continue to be a collaborative project with three parties: 1) the City of Morgan Hill, 2) County of Santa Clara, and 3) the Santa Clara County Superior Court. He stated that the process for collaboration and inclusion was set forth at the beginning. He said that the County and Court system will continue with this collaboration. It was elaborated this evening that everyone is on the same path, heading toward the same end and the same

goal. He said that it is the paramount interest of the Court to be a good neighbor in the community; looking forward to a facility that will be a source of pride and benefit to the community. The Court remains supportive of the process and that the Court has tried to be very innovative in its thinking and progressive in its interaction with the other participants. The Court has found that the County has been receptive and responsive to the issues and concerns raised and have provided appropriate and complete access to all the materials. He was now satisfied that everyone will be on the same page in this regard. If the City has concerns that it wishes directed to the Court, he requested that these concerns be directed to either Melanie Conroy in Court Administration; Judge Jack Komar, Chair of the Court facility and construction Committee; or himself as he is vice-chair of this committee. He stated that the City can expect an expedited response to any of its issue. He indicated that the presiding Judge of the Court, Thomas Hanson, Judge Komar and himself wish the City to understand that they are committed to the construction of this project in a manner that meets the needs and expectations of all the participants.

No further comments were offered.

Council Member Carr inquired whether the Council agrees that City staff's comments can be addressed by the County.

Action: *It was the consensus of the City Council that Morgan Hill staff's comments **are to be addressed** by the County.*

26. EMERGENCY AUTHORIZATION FOR WELL DRILLING – Resolution No. 5657

Director of Public Works Ashcraft presented the staff report and indicated that well drilling can commence on April 1st and be completed in 90-days. He informed the Council that Dick Oliver with Dividend Homes has been working with the City for the past year, talking about a future well site on top of Peet Road, near Cochrane Avenue. He said that staff has expedited this process over the past two weeks. With Mr. Oliver's help, even before Dividend Homes takes ownership of the property, the City has a draft agreement, subject to the approval of the City Attorney. He requested that the Council authorize the City Manager to sign the agreement so that the City can obtain an easement from the Ruge family that will be turned into a permanent deed in the future. He said that staff would like to appropriate \$640,000 of funds already appropriated in the current fiscal year for drilling an emergency well. He stated that the findings for the well waives the formal bidding process. He informed the Council that the site has not been tested for perchlorate to date, noting that this site is located 3.5 miles from the Olin site. He indicated that the site would be tested before the well goes on line. He informed the Council that the City will need to drill a whole and produce water from the hole to test it.

Mayor Kennedy requested that the City Manager have a hydro geologist review this location before proceeding with well drilling.

City Manager indicated that a test hole is made before you develop a producing well. Therefore, there is some level of investment in the test hole but that the major investment comes later when the producing well is developed.

Council Member Sellers inquired whether staff is anticipating seeking reimbursement from Olin Corporation, initiating any legal actions for recovery of City costs.

City Manager Tewes said that in light of Council earlier discussions, he anticipates that the City will be seeking reimbursement for these costs.

Mayor Kennedy opened the public comment.

Chuck Dillmann suggested that should problems continue and the City continues drilling wells and shutting down wells, the City look at a blending facility as a solution versus the continuation of well drillings. He recommended that the Council investigate alternate solutions and not continue to drill wells.

No further comments were offered.

Mayor Kennedy said that Mr. Dillmann's suggestion is consistent with his request that staff return with a presentation on the City's water system, looking at what the City has and the best way to ensure that it has the right water system for the community. He further requested that staff contact the Santa Clara Valley Water District to consider alternatives for possible emergency or long term surface water treatment to explore other concepts.

Council Member Sellers stated that the City is proceeding in a variety of fronts. However, the City needs to make sure that it can continue to deliver water within 90-days before the City faces a crisis in terms of sufficient water supply.

City Manager Tewes informed the City Council that he has personally held conversations with the general manager of the Water District. Both agree that it is likely that for San Martin, and perhaps for Morgan Hill and Gilroy, we must now begin a multi year process, leading to the development of a surface water treatment plant. He further informed the Council that the Regional Water Quality Control Board has given an order to Olin to come up with ideas for long range mitigations. Therefore, Olin will more than likely to be involved in the financing of such an improvement.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Resolution No. 5657, Declaring the Need for This Emergency Expenditure.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Approved** the Expenditure of Funds, Not to Exceed \$640,000 for Construction of Emergency Well.*

Redevelopment Agency Action

OTHER BUSINESS:

27. PARKS AND RECREATION COMMISSION PUBLIC PROJECTS FUNDING ALLOCATION AND RECOMMENDATION

Recreation and Community Services Manager Spier presented the staff report and informed the Council that it was her impression, at the Parks and Recreation Commission (PRC) meeting, that they did not want to remove funds from any of the projects, specifically the indoor recreation center. When the PRC reviewed the allocations, it recommended funds from the Park Impact Fees be used to fund the outdoor sports complex, backfilling these fees within a year.

Executive Director Tewes clarified the financial condition of the Park Development Fund which is financed by Impact Fees. He indicated that the Agency Board adopted a budget of \$2.8 million that included approximately \$2 million to acquire park land. He stated that the Agency has not moved forward with park land acquisition. The affect of the PRC recommendation would be to defer this project. He said that the \$2.8 million appropriation is not an appropriation of all the available funds in this fund. The Park Development fund has other unappropriated funds which could be used for this purpose. He said that it could be possible to move the \$2.7 million dollars immediately, pursuant to the PRC recommendation, into the outdoor sports fund. This would not short change or defer any of the other projects with the exception of acquisition of new park land which the PRC has explicitly indicated was a lower priority than the outdoor sports complex. He said that staff concurs that that if this action is to occur, it would be appropriate to increase development impact fees to provide additional funding for the other activities. He said that the impact fee process does not work quickly and that the City can immediately replenish it as the City would be collecting it over the remaining build out period of the community. He felt that the cash flow was sufficient to accomplish the recommendation of the PRC. He said that the fifth item is not necessary in order to meet the cash flow of the first four items.

Vice-chair Chang indicated that the PRC did not know that there was another \$1.2 million in the fund balance.

Agency Member Carr inquired whether the City would be delaying any projects by moving \$2.7 million from the Park Development funds.

Executive Director Tewes said the one project that would be delayed is the purchase of unidentified park land(s) at a cost of \$1,940,000 that has been appropriated. He said that the City does not have sufficient cash flow to proceed with this project and transfer \$2.7 million to the outdoor sports fields. He stated that the PRC acknowledged that this would be the case and felt that the outdoor sports fields were of a higher priority than the acquisition of additional park land at this time. He indicated that the City collects impact fees on an on going basis and that when there are sufficient resources, the City can move forward with other projects. Therefore, it is a timing issue and not a question of whether or not they would ever be completed.

Chairman Kennedy opened the floor to public comment.

Bob Benevento, Morgan Hill Pony Baseball Association, stated that he was pleased to hear that the Agency Board would be moving forward with the outdoor sports complex and that funding would not be lost for this project. He felt that the outdoor sports complex would consolidate facilities for Pony Baseball, and Spirit/Pride Morgan Hill Softball programs. He said that members of these groups would appreciate the outdoor sports complex facility due to the overcrowding of existing facilities.

No further comments were offered.

Agency Member Sellers stated his support of the PRC recommendation to expedite the indoor recreation center. He felt that it was important that the Agency Board formally state that this project is a priority and get this project underway.

Agency Member Carr expressed concern that the Agency Board is still not addressing the real issue. He was convinced that the Agency Board would not be able to complete all Visioning projects, noting that the Agency is not willing to have this conversation. He did not know whether it was a conversation of extending the RDA cap in order to complete all projects or whether it was a conversation of prioritizations. He noted that last year, the Agency started a prioritization process to set aside pots of money dedicated to different projects. He started to realize that the City does not have enough money to move forward with all projects. He indicated that the Agency stated that it would identify where the dollars were coming from a year ago. At the end of last year, the Agency chose not to do this. However, the Agency acknowledged that it needed to increase funding for the aquatic center. He noted that Agency Member Tate identified his thoughts on increasing funds for economic development which everyone will agree is important. He has made arguments about increasing funds for housing. He felt that by continuing to take these kinds of action, the Agency is using a band aid approach and not addressing some of the core issues. He noted that the City is not moving forward with the outdoor sports complex. However, to move money out of the park fund at this time to put into the indoor recreation center would not get the project built any sooner. He felt that it was important to have the RDA prioritization discussion. He felt that the PRC has a priority; and that it may be different from that of the Agency Board. He expressed concern about moving forward in shifting monies out of an account that is generated from development impact fees into accounts that are generated tax increments. In order to shift funds from the development impact fees, the City would have to increase development impact fees to back fill funds that it believes are important. He did not believe that he has had the discussion well enough to be able to take monies away from other funds and increase development impact fees in order to take action this evening.

Vice-chair Chang said that increasing development impact fees was a suggestion to back fill the fees. She indicated that the current fields and the money for the fields are not counted in the development impact fee. She said that this is an action that the Agency Board needs to take at a later date. She noted that the City has approximately \$2.8 million in the park fund. She said that this is the same logic as taking money from the outdoor fields and transferring them into the aquatic complex. She indicated that the City advised individuals that it would retain the sports fields as part of the RDA election.

Agency Member Carr did not believe that \$2.7 million would be enough to develop the outdoor recreation center. He did not believe that the Agency Board should drain the account for the aquatics center and then backfill it with development impact fees.

Vice-chair Chang noted that baseball and softball leagues have been known to build their fields. She felt that a partnership with the baseball and softball leagues should be explored in order to make this project feasible.

Agency Member Carr stated that the recommendation and motion being made this evening would raise development impact fees without benefit of having the greater discussion as suggested by Vice-chair Chang.

Chairman Kennedy inquired whether the Agency Board could take the action to allocate funds in order to move forward. The Agency Board could then have the broader discussion being recommended by Agency Member Carr.

Agency Member Carr did not believe that the Agency Board needed to take any of the actions before it in order to move forward this evening. He noted that the Agency Board has already moved the \$2.7 million into the aquatic center in order to move forward with that project. Also, the City is not currently developing the outdoor recreation center. Therefore, the \$2.7 million is not needed at this time. If it was needed, he noted that there are other projects that the City has not started that the City could be using the monies from while the Agency Board is having the larger conversation.

Chairman Kennedy said that the baseball and softball organizations have the expectations that funds were earmarked for the sports complex. By not allocating funds, these organizations may think that this is a shift of their funds to the aquatic center.

Agency Member Carr stated that it was his expectation that it would cost more than \$2.7 to complete the outdoor sports complex.

Vice-chair Chang recommended that the Agency precede with actions 1, 3 and 4 and direct the Executive Director to look into the possibility of implementing action item 2.

Chairman Kennedy recommended that a workshop be held to have the broader discussion and look at the list of projects in order to determine whether other sources of revenues are needed or there be an elimination of a project based on the workshop. He noted that the Agency Board requested that the PRC come forth with a recommendation. The recommendation is one that addresses the needs of the majority of the recreational advocates at this time and that he would like to move forward.

Agency Member Sellers stated that he would support removing action item 2 if it is the preference of the majority. He said that he would agree to use development impact fees for a greater number of kids as opposed to acquiring a pocket park in a specific neighborhood. He felt that the need was acute and that the Agency is appropriately addressing it with these funds.

Vice-chair Chang said that she would support retaining action item 2 as it is an item that the Executive Director can return at a later date for implementation.

Action: *On a motion by Agency Member Sellers and seconded by Vice-chair Chang, the Agency Board, on a 3-1 with Agency Member Carr voting No and Agency Member Tate absent, **Allocated** \$2.7 Million of the Parks Development Fund to Pay for the Outdoor Sport Complex.*

Action: *On a motion by Agency Member Sellers and seconded by Vice-chair Chang, the Agency Board, on a 3-1 vote with Agency Member Carr voting no and Agency Member Tate absent, **Increased** Development Impact Fees to Reduce Impact of \$2.7 Million Allocation.*

Action: *On a motion by Agency Member Sellers and seconded by Vice-chair Chang, the Agency Board, on a 3-1 vote with Agency Member Carr voting no and Agency Member Tate absent, **Re-allocated** \$2.7 Million in RDA Funds Previously Earmarked for Outdoor Sports Complex to the Aquatics Complex.*

Action: *On a motion by Agency Member Sellers and seconded by Vice-chair Chang, the Agency Board, on a 3-1 vote with Agency Member Carr voting no and Agency Member Tate absent, **Stipulated** That Contingency Funds Transferred to the Aquatics Complex that are not used, shall be **Returned** to the Park Development Fees Fund.*

Action: *On a motion by Agency Member Sellers and seconded by Vice-chair Chang, the Agency Board, on a 3-1 vote with Agency Member Carr voting no and Agency Member Sellers absent, **Stated** that this is a high priority project and that it should get underway.*

Action: *On a motion by Council/Agency Member Sellers and seconded by Mayor Pro Tempore/Vice-chair Chang, the City Council/Agency Board, on a 4-0 vote with Council/Agency Member Tate absent; agreed to extend the meeting time to 12:00 a.m.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

Workshop on RDA prioritization.
ABAG/MTC Merger
Assistance to Homeless
Workshop on City's water system.

RECONVENE TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 11:15 a.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 12:15 a.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 12:16 a.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY



CITY COUNCIL STAFF REPORT

MEETING DATE: April 2, 2003

ZONING AMENDMENT APPLICATION, ZA-02-18: COCHRANE - IN-N-OUT BURGER/APPLEBEE'S

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Approve Mitigated Negative Declaration
3. Waive the First and Second Reading of Ordinance
 - a. Ordinance enacting Planning Commission's recommendation to approve both restaurants; **OR**
 - b. Ordinance enacting Staff's recommendation to approve the 5,000 to 6,500-sf sit down restaurant and deny the drive-thru fast food use
4. Introduce Ordinance

EXECUTIVE SUMMARY: The applicant is requesting approval to amend the Tharaldson Planned Unit Development (PUD), located at the northwest quadrant of Cochrane Road and Highway 101. The amendment request includes the following:

1. Construction of a 3,253-sf drive-thru fast food restaurant with outdoor seating, in lieu of a required 8,000-sf sit down restaurant.
2. Replacement of a 6,300-sf sit-down restaurant with a 5,000 to 6,500-sf sit down restaurant.
3. Amendment to the Tharaldson PUD (as contained in Ordinance No. 1475), including but not limited to the permitted uses, placement of the buildings, architectural theme, and landscaping.
4. Exceptions to the city-wide PUD standards (as contained in Chapter 18.30 of the Municipal Code), including the placement of the two restaurants (the PUD requires the buildings to be set forward toward Cochrane Road), encroachment into a required 30-ft landscape buffer, insufficient landscaping, and deviations from the established architectural theme and required design standards. For a detailed project analysis, please refer to Attachments A and B of this report.

Staff supports the 5,000 to 6,500-sf sit down restaurant, but recommends that the project be required to comply with the Tharaldson and city-wide PUD requirements. Staff does not support the proposed fast food use. The project site is located in a prominent gateway location. One of the policies of the General Plan is to "*enhance the visual integrity of the gateways to the city.*" Staff does not feel that a fast food use, particularly with a drive-thru component with a number of queued vehicles, is appropriate for or enhances the visual integrity of a gateway. The Commission recommends that the project comply with the PUD requirements to the greatest extent possible, however, recommends exceptions where needed to allow for the proposed development. The Commission also recommends that the Council grant the Architectural Review Board the authority to redefine the architectural theme of the Tharaldson PUD. On Feb. 25, the Commission recommended approval of the PUD amendments, with relocation of an interim driveway and exceptions to the city-wide PUD standards. A copy of the Feb. 25 staff report and minutes are attached for the Council's reference.

Should the Council concur with the Commission's recommendation to approve the zoning amendment request, an Ordinance enacting the Commission's recommendation is attached. **OR** An Ordinance enacting the Staff recommendation of a sit down restaurant and denying the fast food use is also attached. Staff recommends approval of the mitigated Negative Declaration as attached. The mitigated Negative Declaration includes mitigation measures which would reduce potential impacts to a less than significant level.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

Agenda Item # 11

Prepared By:

Associate Planner

Approved By:

CDD Director

Submitted By:

City Manager

ORDINANCE NO. (*Planning Commission Recommendation*), NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE TWO SIT DOWN RESTAURANTS (6,300 SF AND 8,000 SF IN SIZE) WITH A 3,253-SF DRIVE-THRU FAST FOOD RESTAURANT AND A SIT DOWN RESTAURANT 5,000 TO 6,500 SF IN SIZE. (APNs 726-33-023 & -024)(ZA-02-18: COCHRANE – IN-N-OUT BURGER/ APPLEBEE’S)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** General Plan Policy 14a promotes enhancement of the visual integrity of gateways to the City. The proposed project, which is located in a gateway location, is consistent with General Plan Policy 14a. Both restaurants will be subject to review and approval by the City’s Architectural Review Board, and views of the drive-thru lane for the fast food restaurant will be mitigated through the installation of landscaping within the Caltrans right-of-way. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- SECTION 4.** The City Council hereby approves a precise development plan as contained in that certain series of documents dated February 24, 2003, on file in the Community Development Department, entitled "In-N-Out Burger Restaurant" prepared by In-N-Out Burger. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and setbacks of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses on the project.
- SECTION 5.** The City Council hereby approves the exceptions to the city-wide PUD development standards listed below for both the sit down and fast food restaurant sites. The Council hereby finds that: A)Approval of the exception is necessary for the preservation and enjoyment of substantial property rights of

the applicant; B) The exception will only be approved to the extent necessary for the preservation and enjoyment of the substantial property rights of the applicant; C) The effect of the reduction or elimination of the development standard will be substantially mitigated by the provision of other design features or enhancements to the project; and D) Approval of the exception will not be outweighed by the adverse effects to the public health safety and welfare of persons working or residing in the area.

- A. (§ 18.30.090.A.18) Location of restaurants. The Council hereby approves the location of the sit down and fast food restaurants, as shown on the site plan date stamped Feb. 24, 2003.
- B. (§ 18.30.090.C.4) 30-ft landscape buffer. The Council hereby approves a 27-ft encroachment into the required 30-ft landscape buffer, as shown on the site plan date stamped Feb. 24, 2003. The encroachment into the landscape buffer is necessary to provide the drive thru lane as proposed, and the landscape area will be supplemented by the adjacent Caltrans right-of-way landscaping.
- C. (§ 18.30.090.C.5) 50 percent building perimeter landscaping. The Council recommends that the applicant provide landscaping along the perimeter of the fast food restaurant building where possible, but hereby approves the building perimeter landscaping as shown on the site plan date stamped Feb. 24, 2003 and as amended by Condition I under Section 8 of this ordinance.
- D. (§ 18.30.090.C.12) 10-ft wide landscape requirement. The Council recommends that the applicant provide minimum 10-ft wide landscape areas where possible, but hereby approves landscape areas less than 10 ft in width where necessary to improve on-site parking and circulation.
- E. (§ 18.30.090.A.4) No visual flat rooflines allowed. The Council hereby approves parapet walls within the Tharaldson PUD where it would result in a superior building design.
- F. (§ 18.30.090.A.1 and § 18.30.090.A.11) Architectural consistency. The Council recommends that the applicants comply with the city-wide PUD architectural standards to the greatest extent possible, however, hereby approves exceptions to the PUD standards where it will result in a superior design. Also, the Council hereby grants the Architectural Review Board the authority to redefine the architectural theme of the Tharaldson PUD.

SECTION 6. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 7. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 8. The approved project shall be subject to the following conditions:

- A. The applicant shall comply with the mitigation measures of the mitigated Negative Declaration.
- B. With the exception of any deviations approved by the City Council, the project shall be subject to compliance with the Tharaldson PUD guidelines and city-wide PUD standards, as contained in Ordinance No. 1475 and Chapter 18.30 of the Morgan Hill Municipal Code (MHMC), respectively.
- C. The signs identified on the project plans, including but not limited to menu boards, directional signs, advertising signs and building identification signs, are not approved as part of the zoning amendment application. Signs require separate review and approval by the Planning Division.
- D. Defense and indemnity. Applicant agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, injuries, costs and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed against City by reason of its approval of applicant's project. In addition, developer shall pay all pre-tender litigation costs incurred on behalf of the City including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals, but shall not be required to pay any litigation from the City. However, developer shall continue to pay reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted.
- E. The sit down restaurant shall be under construction prior to the issuance of a building permit for the fast food restaurant.
- F. If an interim access driveway is required on Cochrane Road, the interim driveway shall be located as close as possible to the ultimate driveway location (centered on the property line between the two restaurant sites), and located just west of the Caltrans right of way. The necessity and timing for the installation of the interim access driveway shall be determined by the Director of Public Works.
- G. Prior to the issuance of building permit for the sit down restaurant, the applicant shall secure approval from Caltrans for the construction of the new right turn in/right turn out driveway on Cochrane Road, centered on the property line between the two restaurant sites, and for the landscaping and on-going maintenance of the Caltrans right-of-way landscaping at the northwest corner of Cochrane Road and Highway 101.

- H. Upon closure of the existing right turn in only driveway on Cochrane Road, the applicant shall berm and landscape the area to the satisfaction of the Planning Division.
- I. The applicant shall provide additional landscaping at the southwest corner of the fast food restaurant building, in between the columns, similar to the landscaping proposed at the southeast area of the building.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 2nd Day of April 2003, and was finally adopted at a regular meeting of said Council on the 16th Day of April 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

🏛️ CERTIFICATE OF THE CITY CLERK 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 16th Day of April, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. (STAFF RECOMMENDATION) NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE A 6,300-SF SIT DOWN RESTAURANT WITH A SIT-DOWN RESTAURANT 5,000 TO 6,500-SF IN SIZE AND DENIAL OF AN AMENDMENT TO REPLACE AN 8,000-SF SIT DOWN RESTAURANT WITH A DRIVE-THRU FAST FOOD USE. (APNs 726-33-023 & -024)(ZA-02-18: COCHRANE – IN-N-OUT BURGER/APPLEBEE’S)

WITH RESPECT TO THE REQUEST TO AMEND THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE AN 8,000-SF SIT DOWN RESTAURANT WITH A DRIVE-THRU FAST FOOD USE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** The proposed drive-thru fast food use is inconsistent with General Plan Policy 14a. A fast food use designed and placed as proposed, including a drive-thru component with queued vehicles, would not enhance the visual integrity of the gateway location.
- SECTION 2.** The zone change to allow for the replacement of an 8,000-sf sit-down restaurant with a 3,253-sf drive-thru fast food restaurant is inconsistent with the approved precise development plan for the Tharaldson PUD. The approved PUD calls for the construction of two-sit down restaurants (6,300 sf and 8,000 sf in size).
- SECTION 3.** The proposed precise development plan for the fast food use is inconsistent with the Tharaldson PUD guidelines and city-wide PUD commercial development standards. On-site landscaping does not comply with the minimum width or area requirements, the placement of the building is inconsistent with the approved plan, the drive-thru lane encroaches into a required 30-ft landscape buffer, and the building is not designed to PUD standards.
- SECTION 4.** The City Council hereby denies the precise development plan for the proposed 3,253-sf drive-thru fast food restaurant as contained in that certain series of documents dated February 24, 2003, on file in the Community Development Department, entitled "Site Plan" prepared by In-N-Out Burger.

WITH RESPECT TO THE REQUEST TO AMEND THE THARALDSON PUD AND PRECISE DEVELOPMENT PLAN TO REPLACE A 6,300-SF SIT DOWN RESTAURANT WITH A SIT DOWN RESTAURANT 5,000 TO 6,500-SF IN SIZE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 5.** The proposed sit-down restaurant is consistent with the Zoning Ordinance and the General Plan.

- SECTION 6.** The zone change to allow for the replacement of a 6,300-sf sit-down restaurant with a sit-down restaurant 5,000 to 6,500 sf in size is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 7.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- SECTION 8.** The City Council hereby approves a precise development plan for a sit-down restaurant 5,000 to 6,500 sf in size, as contained in that certain series of documents dated February 24, 2003, on file in the Community Development Department, entitled "Site Plan" prepared by In-N-Out Burger. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and setbacks of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses on the project. This approval does not include the fast food restaurant (In-N-Out Burger) identified on the site plan date stamped Feb. 24, 2003.
- SECTION 9.** The City Council hereby approves the exceptions to the city-wide PUD development standards listed below for the sit down restaurant site only. The Council hereby finds that: A)Approval of the exception is necessary for the preservation and enjoyment of substantial property rights of the applicant; B) The exception will only be approved to the extent necessary for the preservation and enjoyment of the substantial property rights of the applicant; C) The effect of the reduction or elimination of the development standard will be substantially mitigated by the provision of other design features or enhancements to the project; and D)Approval of the exception will not be outweighed by the adverse effects to the public health safety and welfare of persons working or residing in the area.
- A. (§ 18.30.090.A.18) Location of sit down restaurant. The Council hereby approves the location of the sit down restaurant, as shown on the site plan date stamped Feb. 24, 2003.
- B. (§ 18.30.090.C.12) 10-ft wide landscape requirement. The Council recommends that the applicant provide minimum 10-ft wide landscape areas where possible, but hereby approves landscape areas less than 10 ft in width where necessary to improve on-site parking and circulation.
- C. (§ 18.30.090.A.4) No visual flat rooflines allowed. The Council hereby approves parapet walls within the Tharaldson PUD where it would result in a superior building design.

- D. (§ 18.30.090.A.1 and § 18.30.090.A.11) Architectural consistency. The Council recommends that the applicants comply with the city-wide PUD architectural standards to the greatest extent possible, however, hereby approves exceptions to the PUD standards where it will result in a superior design. Also, the Council hereby grants the Architectural Review Board the authority to redefine the architectural theme of the Tharaldson PUD.

SECTION 10. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 11. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 12. The approved sit-down restaurant shall be subject to the following conditions:

- A. The applicant shall comply with the mitigation measures of the mitigated Negative Declaration.
- B. With the exception of any deviations approved by the City Council, the project shall be subject to compliance with the Tharaldson PUD guidelines and city-wide PUD standards, as contained in Ordinance No. 1475 and Chapter 18.30 of the Morgan Hill Municipal Code, respectively.
- C. The signs identified on the project plans, including but not limited to menu boards, directional signs, advertising signs and building identification signs, are not approved as part of the zoning amendment application. Signs require separate review and approval by the Planning Division.
- D. Defense and indemnity. Applicant agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, injuries, costs and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed against City by reason of its approval of applicant's project. In addition, developer shall pay all pre-tender litigation costs incurred on behalf of the City including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals, but shall not be required to pay any litigation from the City. However, developer shall continue to pay reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted.

- E. If an interim access driveway is required on Cochrane Road, the interim driveway shall be located as close as possible to the ultimate driveway location (centered on the property line between the two restaurant sites), and located just west of the Caltrans right of way. The necessity and timing for the installation of the interim access driveway shall be determined by the Director of Public Works.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 2nd Day of April 2003, and was finally adopted at a regular meeting of said Council on the 16th Day of April 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

☪ CERTIFICATE OF THE CITY CLERK ☪

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 16th Day of April, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: April 2, 2003

Agenda Item # 12

Prepared By:

**Assistant to the City
Manager**

Submitted By:

City Manager

CITY DIVERSION RATE

RECOMMENDED ACTION(S):

Provide Direction to Staff

EXECUTIVE SUMMARY: Since 1992, the City has been implementing a variety of waste diversion programs in order to comply with the requirements of AB 939 (Sher, 1989.) In 2000, the City's diversion rate was 53% and exceeded the 50% target threshold. Due to delays in the State's reporting system, staff has just recently obtained our diversion rate for 2001 and learned that our diversion rate has dropped to 47%. In evaluating why our diversion rate has dropped, we have identified three likely major causes. These are:

1. Waste Disposal Was Up – In 2001, 3,000 more tons of Morgan Hill garbage was disposed than in 2000 - despite a drop off in the economy.
2. Jobs Were Down – The diversion calculation formula relies heavily on the number of jobs in a community. Morgan Hill had nearly 1,300 fewer jobs in 2001 than 2000.
3. Recycling Tapered Off – The amount of material recycled in the latter one-half of 2001 was less than we would have expected.

Staff has contacted the California Integrated Waste Management Board to identify what AB 939 compliance issues may befall the City. State staff indicated that Morgan Hill is not the only City in this situation and that they are currently evaluating how to respond to this circumstance. City staff reminded them that the State's delay in reporting our 2001 diversion rate certainly precluded us from instituting any actions in 2002 to divert additional waste.

The waste disposal and recycling data for 2002 received to date indicate that disposal was down in 2002 and recycling was reasonably climbing. (Note: this is raw numeric data and does not necessarily directly correlate to enhanced diversion given the multi-faceted official formula used to calculate diversion.)

Staff has met with the City's Solid Waste Citizen's Advisory Committee to obtain their input. The Committee provided staff with a number of excellent suggestions for enhancing citizen participation that staff is now working on implementing.

Staff recommends that the City continue its general approach to waste diversion activities with slight enhancements. Staff has met with South Valley Disposal and Recycling to discuss adding additional materials to the City's curbside recycling program and has been in contact with the City's primary solid waste consultant to discuss additional business recycling initiatives. In addition, staff will be renewing efforts to divert waste from municipal operations.

FISCAL IMPACT: Solid waste diversion activities are funded from a 6% franchise fee on garbage collection services and additional countywide and state sources. Funds from these sources have been adequate in the past and staff does not anticipate requiring additional resources in the future to implement these enhancements.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 2, 2003

Agenda Item # 13

Prepared By:

HR Director

Submitted By:

City Manager

ORDINANCE DELETING THE PERSONNEL COMMISSION

RECOMMENDED ACTIONS:

1. **Waive** First and Second Reading of the ordinance
2. **Introduce** Ordinance Deleting Provisions of the Morgan Hill Municipal Code Relating to the City's Personnel Commission

EXECUTIVE SUMMARY: The Personnel Commission was established in May, 1978, and met regularly for many years to perform various personnel related duties as conferred upon by the City Council. As personnel practices, legislation, and bargaining unit authority changed and evolved over the years, the Commission began meeting only on an as-needed basis. The meetings were called less and less frequently, and the last meeting convened was in 1997.

Currently, employee appeals that may arise from disciplinary action are governed by provisions of the Memoranda of Understanding with the three employee units and/or the Personnel Rules, which includes review by a citizen panel of three. Other personnel policies and practices are under the direction of the Human Resources Director with assistance of outside consultants and attorneys who specialize in public sector personnel and labor relations matters as appropriate.

The Commission has three current vacancies and the terms of the remaining two Commissioners will expire on April 1, 2003.

CONSISTENCY WITH CITY COUNCIL GOALS: The elimination of the Personnel Commission is consistent with the Council's goal to improve Day-to-Day Operations. It also addresses the Goal for Council Working Relationships by identifying clear missions for commissions, committees, and task forces, or the lack thereof.

FISCAL IMPACT: No budget adjustment required.

ORDINANCE NO. 1613, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DELETING CHAPTER 2.48 (Personnel Commission) OF TITLE 2 (Administration and Personnel) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL ESTABLISHING THE PERSONNEL COMMISSION

WHEREAS, through Chapter 2.48 of the Municipal Code of the City of Morgan Hill the City of Morgan Hill has established a Personnel Commission, whose functions include the hearing of employee appeals from disciplinary action and general advisement on personnel policy matters; and,

WHEREAS, the hearing of employee appeals from disciplinary action is now governed by applicable provisions of the Memoranda of Understanding with each employee unit and/or the Personnel Rules, which provide for appointment of a three-person panel to hear such matters; and,

WHEREAS, general advisement on personnel policy matters is now provided by the Human Resources Director, and where appropriate, outside consultants and attorneys who specialize in public sector personnel and labor relations matters; and,

WHEREAS, the Personnel Commission has not convened a meeting since 1997, and currently has 3 vacancies and the terms of the last 2 appointees are due to expire on April 1, 2003; and,

WHEREAS, the City Council finds that the functions of the Personnel Commission are appropriately fulfilled by other means, and the Commission should cease to function.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AND ENACT AS FOLLOWS:

Section 1. Chapter 2.48 (Personnel Commission) of Title 2 (Administration and Personnel) is hereby deleted in its entirety.

Section 2. **Severability.** Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 3. **Effective Date; Posting.** This ordinance shall take effect thirty (30) days after its second reading. This ordinance shall be posted at City Hall.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 2nd Day of April 2003, and was finally adopted at a regular meeting of said Council on the 16th Day of April 2003, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

☐ **CERTIFICATE OF THE CITY CLERK** ☐

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1613, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 16th Day of April, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: April 2, 2003

REVIEW OF DRAFT EIR FOR THE MORGAN HILL COURTHOUSE

RECOMMENDED ACTION(S):

1. Receive public comments on the Draft EIR.
2. Provide comments to staff for assessment in the Final EIR.

EXECUTIVE SUMMARY:

PROJECT DESCRIPTION

The proposed Morgan Hill Courthouse Project includes development of two buildings, totaling approximately 80,000 square feet and would include courtrooms, jury deliberation and assembly space, a Court Clerk's office and court day-holding facilities on approximately 8 acres. In addition, office space would be provided for the District Attorney, Public Defender and Probation Department. The Draft EIR also assumes development of a potential City-owned and operated fire station on the project site. The project will be located at the northwest corner of the Diana Avenue and Butterfield Boulevard intersection, immediately south of the Cal Train Station.

ENVIRONMENTAL IMPACT REPORT (EIR)

This Draft EIR has been circulated for a 45-day public review period. Council members should focus their review on the completeness and accuracy of the EIR in discussing possible impacts upon the environment, ways in which adverse impacts can be mitigated, and alternatives to the project. A copy of the Draft EIR was distributed to Council members on March 5, 2003. The public comment period end on April 4, 2003.

Attached is a copy of the City's comment letter prepared in response to the Notice of Preparation. Also attached is a draft of the City's comments to date on the Draft EIR. City Council comments will be incorporated into this response letter.

FISCAL IMPACT:

No budget adjustment required.

Agenda Item #14

Prepared By:

Planning Manager

Approved By:

**Community
Development Director**

Submitted By:

City Manager

Draft

April 4, 2003

Alicia A. Flynn,
Capital Projects Manager
County of Santa Clara GSA
Capital Program Division
701 Miller Street, 2nd Floor
San Jose, CA 95110

SUBJECT: New Morgan Hill Courthouse Draft Environmental Impact Report

Thank you for the opportunity to comment on the Draft EIR for the New Morgan Hill Courthouse facility. City staff, our Planning Commission and City Council have reviewed the above referenced document and forward the following comments:

General Remarks:

1. Increase in storm water runoff -- In addition to the construction of an on-site detention basin to mitigate an increase in peak runoff, payment of City storm drain impact fees will be required to fund a fair share of local drainage facilities.
2. Water use -- The EIR should include an estimate of water use by project and payment of City water impact fees.
3. Wastewater collection and treatment -- The EIR should include an estimate of wastewater generation and payment of City wastewater impact fees to provide for collection and treatment capacity for project.

Project Description

Page III-11. The site plan and supporting narrative needs to address how pedestrian walkways will tie into existing walkways, or what additional facilities this project will provide onsite and offsite to access Morgan Hill's downtown. Access to downtown businesses is identified as a benefit in the EIR and appears necessary due to the apparent lack of cafeteria facilities onsite. Pedestrian linkage between the courthouse facility and the City's Downtown will also be a requirement of the City's Downtown Design Plan.

Environmental Setting, Impacts and Mitigation Measures:

Page V.A-8 & V.E-3. Cal Train service is one way north in the morning and one way south in the evening. At the present time, none of the trains are conveniently scheduled for the 8:00 to

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4:00 court hours, therefore, Cal Train will not provide access to the facility in the near term. Any assumed Cal Train trips under project conditions need to be reassigned to the roadway network and additional parking lot stalls developed. Also, bus service is being cut back at this time and may only be minimally adequate: the main #68 line runs on a 30 minute interval during most of the day and local transit routes have been cancelled or cut back. If bus service usage was based on previous higher service levels, then additional reassignment needs to be made from buses to the roadway system and parking lots.

Page V.E-5. Lack of analysis for the Main/Monterey intersection is a serious omission. A City traffic study in 2001 showed the intersection operating at a "C" level, but degrading potentially to an "E" level in the a.m. peak hour in this project's time frame. This project adds at least 50 a.m. peak hour trips to this intersection, so it may well have a significant impact. Mitigation for regional traffic impacts would need to include payment of City traffic impact fees.

Page V.E-27 top paragraph. Access to the courthouse parking facilities during non-business hours should be addressed. Will the parking areas be fenced and gated or open to allow use during non-business hours? The City would prefer that the parking areas remain open except where necessary for security purposes.

Page V.E-30, Impact E-8. The statement concerning downtown parking deficiencies is incorrect. Currently Morgan Hill has a parking surplus. Recommendation in the City's Downtown Plan is to improve access to existing parking lots and reduce parking requirements for new businesses. In the long term, the City will then have fewer potential spaces for spillover, so reliance on downtown parking could be a problem.

Page V.K-6 and following analysis. Table V.K-3 needs more detail and future year projections to assess the project's impact on Morgan Hill police and fire services. The "Other Incidences" row is of particular importance since Morgan Hill will be involved with many of them. These events are increasing rapidly, 29 in 2000 to about 75 in 2002. By 2005 and especially 2020 they could well have a significant impact on the Morgan Hill public safety workload and require mitigation.

If you have any questions regarding the above comments, please call me at 408/779-7248.

Sincerely,

James B. Rowe
Planning Manager

Alicia A. Flynn
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cc Mr. Paul Mitchell
 City Council
 Planning Commission
 City Manager
 Executive Management

October 18, 2002

Alicia A. Flynn,
Capital Projects Manager
County of Santa Clara GSA
Capital Program Division
701 Miller Street, 2nd Floor
San Jose, CA 95110

SUBJECT: Notice of Preparation for Santa Clara County Courthouse - Morgan Hill Location
EIR

Thank you for the opportunity to comment on the Notice of Preparation for the Morgan Hill Location County Courthouse Facility EIR. We would request that analysis be provided in the following sections of the EIR:

1. Increase in storm water runoff -- The EIR should include mitigation for increased runoff. This will require construction of an on-site detention basin to mitigate an increase in peak runoff and payment of City storm drain impact fees to fund a fair share of local drainage facilities.
2. Water use -- The EIR should include an estimate of water use by project and payment of City water impact fees.
3. Wastewater collection and treatment -- The EIR should include an estimate of wastewater generation and payment of City wastewater impact fees to provide for collection and treatment capacity for project.
4. Traffic -- A Transportation/Traffic Section will be included in the Draft EIR. The analysis should address on-site and off-site traffic conditions and include an estimate of peak hour traffic generation and impact on nearby intersections. Mitigation for regional traffic impacts would need to include payment of City traffic impact fees.
5. Scope of Work -- The scope of work and project description should include either a new police station, a third city fire station and/or both facilities on a portion of the 8-acre project site. A project level impact analysis should be prepared for these facilities.
6. Aesthetics - The discussion on aesthetics should include the project design and its compatibility with the City's Downtown Design Plan. A large field of parking on the west side of the project site opposite the City's downtown area may not be desirable. Alternative layouts for the building and parking areas should be considered.
7. Project Size - Original plans for the courthouse facility consisted of approximately 60,000

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square feet on 6 acres. Current proposal is for two buildings totaling 79,000 square feet on 8 acres. The EIR should evaluate the incremental increase in those impacts associated with the larger facility. The County will also need to identify the programs that will be conducted in the larger facility, uses beyond those that were identified for the smaller facility.

8. Parking - Access to the courthouse parking facilities during non-business hours should be addressed. Will the parking areas be fenced and gated or open to allow use during non-business hours? The City would prefer that the parking areas remain open except where necessary for security purposes.

If you have any questions regarding the above comments, please call me at 408/779-7248.

Sincerely,

James B. Rowe
Planning Manager

cc Mr. Paul Mitchell
 City Council
 Planning Commission
 City Manager
 Director of Community Development



CITY COUNCIL STAFF REPORT

Meeting Date: April 2, 2003

MEASURE P UPDATE – STATUS REPORT

RECOMMENDED ACTION(S):

1. Review Proposed Amendments
2. Provide Comments to Committee by Minute Action

EXECUTIVE SUMMARY: In July of last year, the City Council appointed a committee to evaluate Measure P and to recommend changes to it which could be submitted to the voters for their consideration. Council Members Tate and Carr serve as Chair and Vice Chair, respectively, of the Committee. The Committee has met seventeen times over the past six months to familiarize themselves with the initiative, to identify appropriate amendments and to draft implementing language. In total, the Committee has identified 27 sections and subsections of the initiative which it proposes for amendment. The attached memo describes the proposed changes.

The purpose of this status report is to provide the City Council the opportunity to review the draft amendments and to provide input to the Committee regarding them. The Planning Commission reviewed the proposed amendments on March 25th. Their comments on the amendments are included at the end of the relevant sections of the attached memo.

A community survey was recently conducted to gauge support for the proposed amendments. Also, the proposed amendments are currently being put in initiative format. The results of the survey and draft initiative language will be presented to the Committee later on April 15th. The Committee will use the results of the survey, community workshop, and Council comments and recommendations to finalize its proposed amendments. Those amendments will be presented to the Planning Commission for consideration on May 13th and the City Council on June 4th.

The proposed amendments are described in the attached memo to the Committee. Staff will “walk” the Council through the proposed changes at the April 2nd meeting. Two important effects of the proposed amendments are that they would enable the City to meet the ABAG “fair share” housing allocation and they would eliminate the need or ability to expand the Urban Service Area on the west side of Monterey Road. Under current Measure P allocation formula, future annual allocations will be 164 or fewer units. By extending the initiative to the year 2020 and increasing the population to 48,000 (consistent with the General Plan), the annual allocation will increase to approximately 228 units (exclusive of secondary dwellings and other exempt units). This increase and other changes should allow the City to meet ABAG fair share by June 30, 2006.

Measure P currently requires one third of all allocations be awarded to projects on the west side of Monterey Road. The current supply of vacant land west of Monterey Road should be absorbed in approximately ten years. Pursuant to Measure P, in approximately five years the boundary will need to be adjusted to include additional land for residential development west of Monterey Road. The current supply of vacant residential land east of Monterey Road will last approximately 30 years. Elimination of the East/West split will result in a supply of vacant residential land City-wide which should last approximately 23 years. Thus, additional land would not be need to be (nor could it be) added to the Urban Service Area anywhere in the City for approximately 18 years. The only exception would be for land meeting the definition of “desirable infill.”

FISCAL IMPACT: \$65,000 has been budgeted for this project. No budget adjustment is required.

Agenda Item # 15

Prepared By:

Community
Development Director

Submitted By:

City Manager



Memorandum

Date: April 2, 2003
To: City Manager
From: David Bischoff, Community Development Director
Subject: Measure P Initiative Changes

Following are the amendments proposed by the Measure P Update Committee to that initiative. The amendments are listed using the numbering system of the Municipal Code for ease of reference. The proposed amendments were reviewed by the Planning Commission at its meeting of March 25, 2003. The Commission supported many of the amendments, as written. The comments and recommendations of the Commission regarding other amendments are shown in italicized type at the end of each section. Most of the recommendations represent a consensus of the Commission. Where there were differing opinions, the Commission vote is included.

1. 18.78.010. This section would have to be updated and modified to reflect current conditions and proposed modifications. It should also be modified to indicate that the provisions of the initiative only address residentially designated land and residential development.

In addition, language will be added to this section of the initiative which encourages the Downtown area to initially be geographically defined consistent with the area addressed in the Downtown Plan. That language could read as follows:

“The City has recently adopted an update of the Downtown Plan. A major strategy of the Plan is to encourage an increase to the number of residential units in that area in order to strengthen the base of support for existing businesses, ~~and~~ to provide market support for new businesses and to establish a viable neighborhood in this central area of the city. Reserving allocations for residential projects in the area covered by the Downtown Plan will help to ensure that this strategy is successfully implemented.”

2. 18.78.030A. Change to read as follows:
The population ceiling for the city as of January 1, 2020, is forty eight thousand persons. This ceiling shall not be increased except for the following situation. Prior to the enactment of Measure E, two County subdivisions, Holiday Lake Estates Unit 1 and Casalegno’s Subdivision (Casa Lane), were provided with City water service. The El Dorado III subdivision, developed in the County at the

southwest corner of Hill Road and Diana Ave., was provided with sewer and water service in order to eliminate a significant County health problem. These subdivisions are all within Morgan Hill's UGB and were at least 95% developed as of 7/1/2003. In the future, it may be necessary for the residents of one or more of these subdivisions to annex to the City in order to receive additional municipal services. Given the developed status and the current provision of municipal services to them, any of these subdivisions may be added to the City Urban Service Area and annexed into the City without meeting the test for desirable infill development. Should any of these subdivisions be annexed, the population within them shall not count against the 48,000 person population limit established elsewhere in this initiative.

The Planning Commission recommends this section be amended to clarify how the population of the areas to be annexed would be calculated.

3. 18.78.030B. Change this sub-section to reference a population ceiling of 48,000 and a sunset date of 2020. Also, modify the formula for determining the annual allocation to reflect the following:
 - Annual allocation to be determined once every two years, beginning in 2004 for the 2006/07 and 2007/8 fiscal years. If the annual allotments for these fiscal years exceed the allotments previously distributed for the 2004/05 and 2005/06 fiscal years, the difference may be distributed to any new or on-going projects in the 2004/05 and 2005/06 fiscal years.
 - The formula for determining the annual number of allocations shall utilize the most recent Department of Finance (DOF) population and persons per household for the city. The DOF population and persons per household estimates shall be adjusted for the following:
 - The population which would be housed in all units which have been allocated but not included within their estimate for the City.
 - The estimated number of exempt units which may be built annually.
 - Other quantifiable factors which may improve the accuracy of the maximum annual allotment

The Planning Commission recommends this section be amended to add an adjustment for the annexation of the developed properties described in #2, above.

4. 18.78.030 C. Modify this sub-section to delete reference to the number of units required to be allotted to projects on either the east or west side of Monterey Road. Also amend the last sentence in this section to read as follows:

The city council may, if it chooses, further divide the allotments according to geography, price, development size, phasing status and similar criteria as deemed necessary to provide for the general welfare.

The Planning Commission recommends this section be amended to clarify the meaning of

the term “phasing status”.

5. 18.78.030. Add a new sub-section D establishing a Downtown set-aside category. The language of that sub-section could read as follows:
“The City Council shall, for the competitions for allotments in fiscal years 2006-07 through 2009-10, reserve a certain number of allocations for projects in the Downtown area. The number of allocations and the geographic limits of the Downtown area shall be determined by the Council and may be amended, as necessary, to reflect changing needs. As necessary, the Council may thereafter continue to reserve a certain number allotments for projects in the Downtown area.”

The Planning Commission recommends, by a 4-3 vote, this section be amended to be permissive rather than mandatory.

6. 18.78.040A. Modify this section to allow the City to conduct 1 or 2-year competitions. Allow the City Council to allocate a portion of the allotment available in the subsequent year (2nd year of a one-year competition or 3rd year of a two-year competition).
7. 18.78.040 new section E. Add a new section which would enable the City to establish a set-aside for vertical mixed-use projects. The language would do the following:
 - Allow the reservation of up to 10 allotments per year for projects of this type.
 - Allow the award the allotments through a competitive process or on a first-come, first served basis, as determined by the City.
 - Allow for the establishment of higher minimum passing scores for mixed-use projects and/or consistency with the guidelines for development contained in the Downtown Plan.
 - Allow for a maximum of 20 unused mixed-use allotments to be carried over from year to year, if unused in prior year(s). This would result in a maximum of 30 units being available for allocation.
 - Limit the size of mixed-use projects eligible for allotments from this set-aside to no more than 15 units.

The Planning Commission recommends, by a 4-3 vote, this section be amended to allow the City more flexibility in defining the parameters of vertical mixed use projects.

8. 18.78.060 C. This paragraph will be amended to extend the period of time over which open space shall be protected from fiscal year 2009-10 to 2019-20.
9. 18.78.060. Add a new sub-section D which would preclude expansion of the Urban Growth Boundary or Urban Service Area in a manner which would be inconsistent with any Greenbelt or Urban Limit Line which may be established by the City. In addition, the section should preclude approval of residential development proposals which are inconsistent with any Greenbelt or Urban Limit Line which may be established by the

City.

10. 18.78.070 A. Change the 5 years worth of developable land to be 5 years of developable land "beyond that required to accommodate the number of units available in the next competition". Also, delete reference to east / west split.
11. 18.78.070 B. Add a new last sentence to the existing paragraph and add second paragraph to read as follows:

In approval of any expansion of the urban service area for desirable in-fill, the City Council shall make findings which substantiate the benefits of the expansion to the general welfare of the citizens of the city.

Areas which would be considered to beneficially affect the general welfare of the citizens of the city includes those which promote orderly and contiguous development and allow for the provision of needed infrastructure or allow for the establishment of public facilities such as parks, schools or other buildings to be owned or operated by the city, school district, water district or any other public agency. The City Council shall make findings in substantiation of the benefit of including any area within the urban service area The needed infrastructure must be installed or the land needed for public facilities must be conveyed to the public agency within four years of the area being added to the urban service area. The commitment to install the needed infrastructure or convey the needed land must be secured by a legally binding document which runs with the land and is accompanied by a surety bond prior to official action adding the area to the urban service area.

The Planning Commission recommends this section be amended to delete the requirement to install the improvements or dedicate the land within four years.

12. 18.78.090A. Amend this section as follows:
 5. Insert "Narrative description of" before "Preliminary".
 7. Delete this section.
 9. Delete this section.
13. 18.78.090C. Change the last two words to read: "any competition year".
14. 18.78.090D. Change "November 1st of the fiscal year preceding the award of allotment" to "Twenty one months preceding the fiscal year during which the allotments must be utilized".
15. 18.78.120. Amend this section as follows:
 - K. Increase from 5 to 10 points.
 - M. Reduce from 15 to 10 points

Add new section N. to read as follows: The extent to which the proposed development incorporates or otherwise embodies the concepts of Livable Communities including, but not limited to, proximity to transit, pedestrian orientation, efficiency of street system, mixed-use, infill, maximization of use of existing infrastructure, and overall project excellence. (10 points)

(These changes also need to be made to Section 18.78.310, 330 and 332 (added))

The Planning Commission recommends this section be amended to clarify that the concepts of Livable Communities which are listed are only examples and that all do not necessarily need to be incorporated into a project in order to be eligible for points in this category.

16. 18.78.125 B&C. Amend these sections to increase the minimum passing score for Part B of the competition as follows:

- Micro Projects and projects which are 100% affordable – 150 points
- All other projects – 160 points

(need to define these project types in initiative?)

Also amend sub-section C to allow allocations to be awarded over two years (for two-year competitions) and partially into a third year to complete projects which would otherwise only receive a partial allocation.

17. 18.78.125C. Amend the last portion of the second sentence, starting with the words “shall be awarded” to read as follows. The first and third sentences in this sub-section are to remain as written.

“...shall be awarded to the highest scoring projects based on the number of points received under Section 18.78.120. Fewer than the total number of allotments requested for any developments may be awarded to them and the surplus allotments awarded to the next highest scoring development(s) if doing so would create a more balanced and equitable distribution of allotments and help to achieve the goals of the general plan.”

The Planning Commission expressed concern that this amendment may encourage legal challenge and requested that it be reviewed carefully by legal counsel.

18. 18.78.125D. Replace first sentence with "Allotments shall be issued no later than 16 months prior to the first fiscal year in which the allotments must be used. Change "two" to "three" in the last sentence.
19. 18.78.125E. Change the three "fiscal year" references to "competition".
20. 18.78.125F. Replace with: If a project receives an allotment in a competition for more than 50 percent of the units in the project but fewer than the total number of units needed to complete it, the additional units needed to complete it may be awarded to the project for the competition year immediately after that covered by the current competition. This

additional allotment shall be considered a portion of the limited allotment for that future competition year.

21. 18.78.125G. Add at end of paragraph: "In recognition of the greater difficulty in initiating custom home projects, they shall be given an additional 24 months to physically commence construction. If this extension proves insufficient, custom home units may apply for an additional extension subject to the same rules and circumstances as outlined in this paragraph for other projects."
22. 18.78.130 A, B, and C. Amend this section to provide for a 15-day appeal period for all affected parties.
23. 18.78.150B. Amend the last portion of this sub-section to read "...the city council, after holding a hearing, may rescind all or part of the development allotment in favor of another development which has qualified for such allotment and which is capable of commencement in the year for which the allotment was awarded."

The Planning Commission expressed concern that this amendment may encourage legal challenge and requested that it be reviewed carefully by legal counsel.

24. 18.78.230.A.1. This sub-section will need to be amended to define the Core Area to be used in determining, in part, the extent to which a project represents "orderly and contiguous" development. This sub-section could be amended to add the following sentence:

"For the purpose of this section, the Core Area shall be defined to include all of the land defined by the following boundaries:

On the west, the Core Area shall be bounded by Del Monte Ave. from Wright Ave. to Ciolino Ave. and by West Little Llagas Creek from Ciolino Ave. to Cosmo St. On the east, the Area shall be bounded by the railroad tracks from the easterly prolongation of Wright Ave. to Main Ave., by Butterfield Blvd. from Main Ave. to Dunne Ave., and by Church St. from Dunne Ave. to the easterly prolongation of Cosmo St. On the north, the Area shall be bounded by Wright Ave. and its easterly prolongation to the railroad tracks. On the south, the Area shall be bounded by Cosmo St. and its easterly prolongation to Church St."

The Planning Commission had a variety of opinions regarding this amendment. Three Commissioners felt that the City should have flexibility in defining the Core Area and that it should not be defined in the initiative. Two Commissioners felt it was acceptable to include the definition in the initiative but requested an additional provision which allowed the City to amend the definition at certain intervals (e.g. five year intervals). Two Commissioners felt the section was acceptable, as written.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 2, 2003

Agenda Item #16

Prepared By:

**Council Services &
Records Manager**

Submitted By:

City Manager

IDENTIFY DATES TO CONDUCT IDENTIFIED WORKSHOP TOPICS AND INTERVIEW VARIOUS BOARDS AND COMMISSIONS

RECOMMENDED ACTION(S):

Select Dates to Conduct: 1) City Council Workshops; and 2) Board and Commission Interviews

EXECUTIVE SUMMARY:

On February 26, 2003, the City Council/Redevelopment Agency adopted Goals for 2003. The Council/Redevelopment Agency included workshops as part of the 2003 goals as follows:

- Adopt a Crime Control Strategy following a workshop in the summer
- A workshop to discuss a possible program to require "1%" investment in public art
- A workshop on service level standards to be adopted by the Council
- Following the Round II decision on new library construction, schedule a workshop to review priorities, location and funding for all remaining municipal buildings.

At various meetings, the Council requested that workshops be conducted to discuss the following:

- Review City wells/systems (staff recommends a water system tour as part of this workshop)
- Public Art
- Economic Development Strategy
- Housing Strategy (Scheduled for April 30, 6:00 p.m.)
- Redevelopment Agency Allocation

Staff has solicited applications from citizens interested in serving on the Architectural and Site Review Board (ARB) and various Commissions. The most immediate appointments are to the Library Commission and Parks & Recreation Commission as terms for some of the Commissioners expire in April. Staff recommends that the Council interview these two Commissions on the same day to afford the Council flexibility in appointments. Staff further recommends that the Council interview and appoint no later than Wednesday, April 9 so that the Commissioners appointed can participate in the April Commission meetings. The City Council will also need to interview and fill vacancies on the ARB and Planning Commission. Staff recommends that interviews and appointments for these two occur in May as terms on the ARB and Planning Commission expire June 1. The other Commission that will need to have vacancies filled is the Mobile Home Rent Commission by June 1. The Council may wish to appoint a subcommittee to interview for this Commission with a recommendation for appointment returning to the Council, or the Council can interview/appoint as a body.

Staff recommends that Council Members bring their calendars to the April 2 meeting and direct staff regarding the scheduling of workshops and interviews to fill upcoming vacancies on the ARB and various Commissions. Staff is also requesting direction regarding the start time for the upcoming May 14 and June 11 budget workshop sessions.

FISCAL IMPACT: The time necessary to prepare the staff report is accommodated in the City Clerk's Operating Budget.